Delivering Value
THE TRIMAC GROUP *of* COMPANIES




ANNUAL REPORT 1993

Trimac

Profile

Trimac Limited is a diversified, multi-national corporation which conducts its operations through wholly-owned subsidiaries and strategic investments in associated companies. Our subsidiaries are: Trimac Transportation System, providing highway transportation of bulk commodities; Kenting Energy Services, providing contract drilling services; Rentway Inc., providing truck leasing and rental services; and TriWaste Reduction Services Inc., providing waste management and environmental services. Trimac also participates in the environmental services sector through our investment in BOVAR Inc.

We participate in related businesses through investments in associated companies which include: oil and gas exploration and production (Chauvco Resources Ltd.); engineering and construction (Banister Inc. and Bantrel Inc.); information technology (Intera Information Technologies Corporation); and oilfield equipment service and supply (Taro Industries Limited).

The corporation and its wholly-owned subsidiaries employ 4,500 people and our associated companies have an additional 3,200 employees. Trimac's headquarters are in Calgary, Alberta, Canada, and its common shares are traded on the Toronto and Montreal stock exchanges under the symbol TMA.

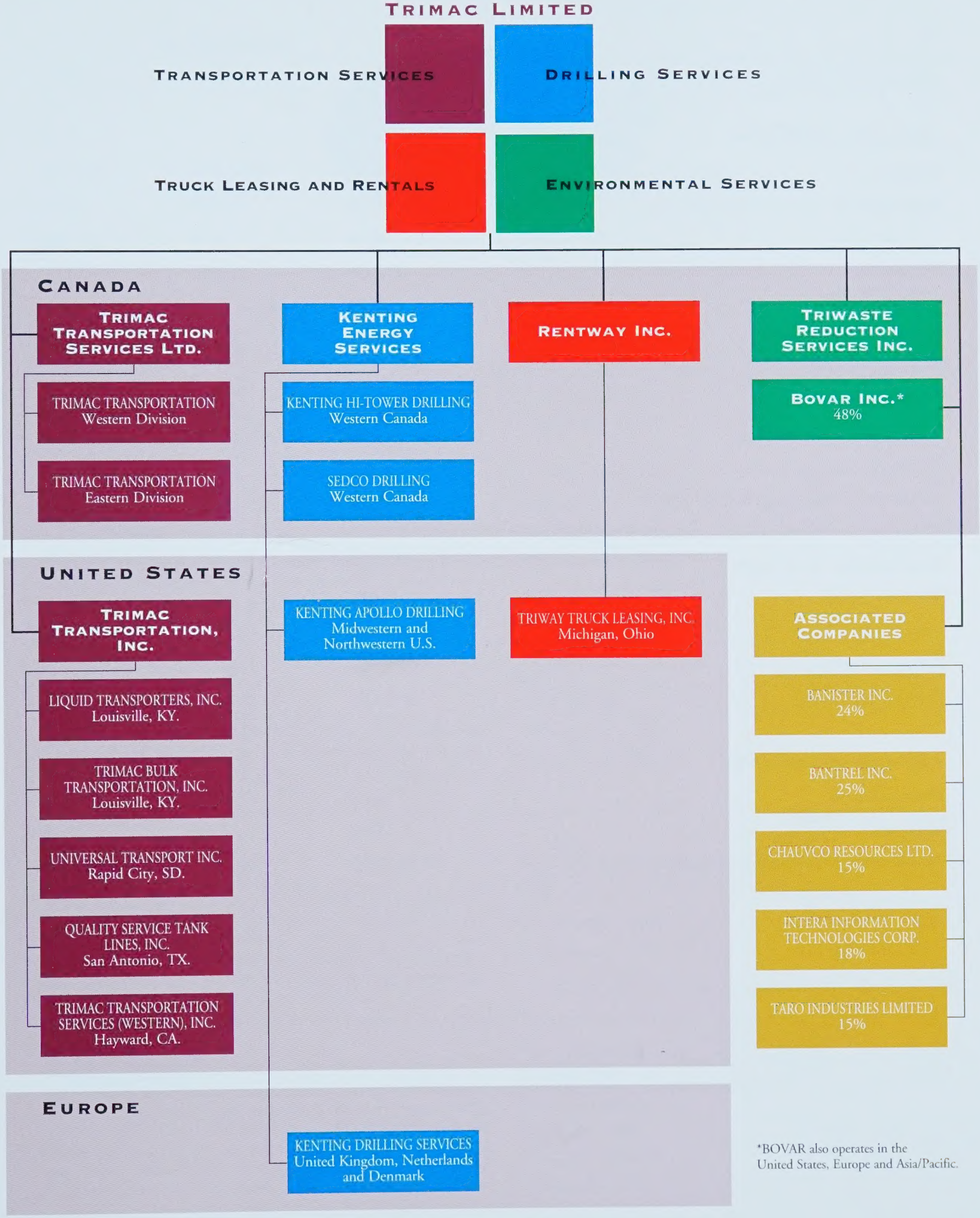
Annual Meeting

Trimac's Annual Meeting will be held Thursday, May 5, 1994, at 10:30 a.m. in the Glenview Room of the Calgary Convention Centre. We invite shareholders to attend and meet the officers and directors of the corporation. Those who are unable to attend are kindly requested to complete, sign and return their proxies as soon as possible.

CONTENTS

OPERATING STRUCTURE

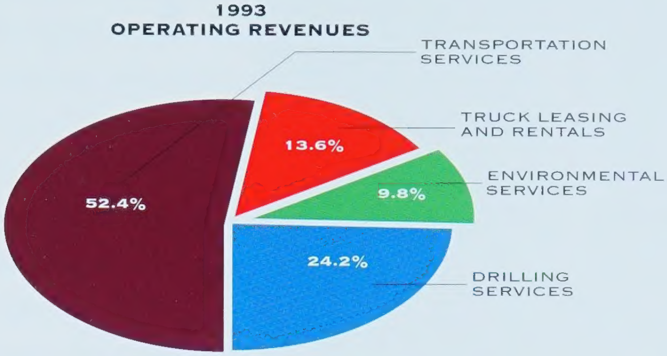
The following chart illustrates the operating structure of Trimac's core businesses and the interests we hold in associated companies.



*BOVAR also operates in the United States, Europe and Asia/Pacific.

(thousands of dollars except per share and percentage amounts)	DECEMBER 31 1993	1992	1991
OPERATING RESULTS			
Revenues	**$618,803**	$476,055	$449,047
Earnings before discontinued businesses	**27,720**	27,236	23,265
– per share	**0.70**	0.73	0.63
Net earnings	**27,380**	26,823	22,715
– per share	**0.69**	0.72	0.61
Cash from operations	**85,053**	56,039	48,576
Net capital investments			
Fixed assets	**155,359**	76,974	50,325
Acquisitions/investments	**6,158**	20,575	410
Return on net assets	**9.8%**	11.9%	12.8%
Return on common shareholders' equity	**11.3%**	13.7%	13.3%
FINANCIAL POSITION			
Working capital	**7,456**	4,768	3,413
Total assets	**657,213**	531,005	397,556
Long-term debt	**221,503**	176,777	122,634
Shareholders' equity	**277,924**	211,054	185,118
COMMON SHARE DATA			
Dividends paid	**0.12**	0.12	0.10
Book value	**6.86**	5.65	4.97
Number of common shares outstanding	**40,527,490**	36,683,190	36,514,840

F I N A N C I A L   P R O F I L E



(thousands of dollars)

TRANSPORTATION SERVICES

	1993	1992
Revenues	**$324,246**	$304,239
Pretax Earnings	**12,954**	11,366

Trimac Transportation provides truck transportation of bulk commodities, as well as related distribution and management services throughout North America. It transports a wide range of liquid, dry and pressurized products for an industrial customer base.

- ☐ Ownership - 100%
- ☐ Employees - 2,900

DRILLING SERVICES

	1993	1992
Revenues	**$149,776**	$91,573
Pretax Earnings (Loss)	**16,959**	(494)

Kenting Energy Services provides contract drilling services for the development of oil and natural gas reserves and for geothermal and scientific purposes in Canada, the United States, Europe and other select international markets.

- ☐ Ownership - 100%
- ☐ Employees - 1,000

TRUCK LEASING AND RENTALS

	1993	1992
Revenues	**$83,968**	$65,938
Pretax Earnings	**4,381**	2,057

Rentway Inc. provides truck fleet management services including full-service leasing, rentals, and maintenance and repair services from Quebec to British Columbia, and in select areas of the Northern United States, through Triway Truck Leasing, Inc.

- ☐ Ownership - 100%
- ☐ Employees - 500

ENVIRONMENTAL SERVICES

	1993	1992
Revenues[1]	**$60,813**	$14,305
Pretax Loss (before minority interest)[1]	**(4,101)**	(1,242)

Trimac provides environmental services though TriWaste Reduction Services Inc. and BOVAR Inc. TriWaste is focused on the reduction and elimination of waste volumes requiring end disposal, as well as the recycling and recovery of wastes. BOVAR provides environmental and waste management services including consulting, instrumentation and hazardous waste management facilities.

TriWaste

- ☐ Ownership - 100%
- ☐ Employees - 140

BOVAR

- ☐ Ownership - 48%
- ☐ Employees - 400

[1]Includes results of BOVAR from date of consolidation - September 30, 1992.

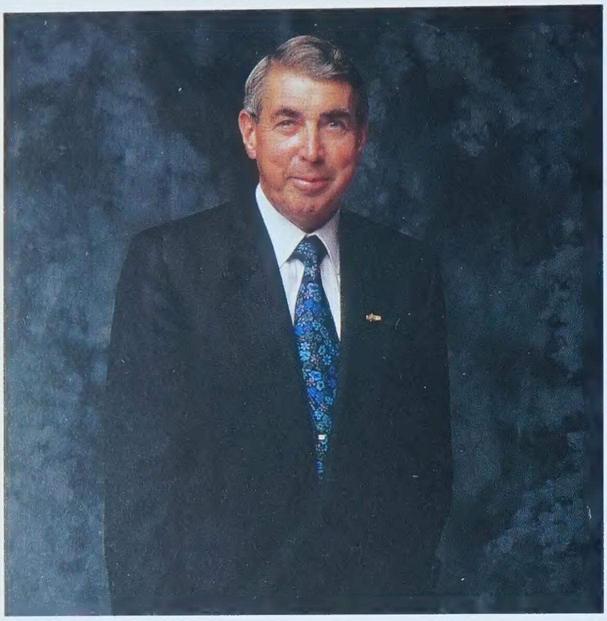
ASSOCIATED COMPANIES

	1993	1992
Share of Pretax Earnings	**$10,437**	$7,444
Carrying Value	**71,483**	58,963

Trimac has investments in associated companies involved in oil and gas exploration and production (Chauvco Resources Ltd.); engineering and construction (Banister Inc. and Bantrel Inc.); information technology (Intera Information Technologies Corporation); and oilfield equipment service and supply (Taro Industries Limited).

Trimac Ownership

- ☐ Banister - 24%
- ☐ Bantrel - 25%
- ☐ Chauvco - 15%
- ☐ Intera - 18%
- ☐ Taro - 15%



J.R. (Bud) McCaig, Chairman and Chief Executive Officer

The Trimac Group of Companies recorded another successful year in 1993, in the face of a lingering recession and the challenges of competitive markets throughout North America. Our transportation business made modest gains, even though it was confronted with tough price competition and lower volumes from some industrial business segments. A resurgence in Canada's oil and gas industry had a significant effect on Trimac's results. The drilling group's activity levels improved substantially from the previous year with Kenting achieving significantly higher returns. Our truck leasing and rental business posted record results, driven primarily by the successful integration of assets acquired in 1992 and 1993. Results were below expectations in our environmental services operations, with TriWaste reporting a loss for the year and BOVAR Inc. posting lower earnings. Trimac's investments in associated companies continued to add diversity and strength to our operations and a favourable contribution to our earnings.

PROFITABLE GROWTH Trimac's strategy to create and deliver shareholder value is reflected in our financial performance for 1993.

Trimac's revenues increased to $618.8 million from $476.1 million in 1992. All businesses achieved revenue growth. More than $58.0 million of this increase was due to growth in our drilling business, and was primarily in Canada. Our transportation business increased revenues by $20.0 million, and our truck leasing and rental company by $18.0 million. In addition, $38.0 million of the revenue increase was from inclusion of a full year of BOVAR's results which were consolidated with Trimac effective September 30, 1992.

Earnings before discontinued businesses were $27.7 million ($0.70 per share) compared to $27.2 million ($0.73 per share) in 1992. Net earnings were $27.4 million ($0.69 per share) in 1993 versus $26.8 million ($0.72 per share) in the previous year. In 1992, our results included gains of $15.1 million ($0.41 per share), resulting from the sale of 2,000,000 common shares of Chauvco Resources and a dilution gain. Excluding these gains, Trimac's earnings more than doubled in 1993.

Net capital expenditures increased to $155.4 million from $77.0 million in 1992. Capital expenditures were up in transportation due primarily to the construction of new facilities and two small acquisitions. Our drilling operation invested more to upgrade equipment to meet the demands of an active drilling market. In Rentway, additional capital was used to fund business obtained from acquisitions. However, the increase in capital expenditures was most pronounced in environmental services. TriWaste used capital to complete mobile facilities to serve its market niche, and BOVAR Inc. required substantial capital to construct a major expansion at its hazardous waste treatment facility near Swan Hills, Alberta.

At year end, long-term debt totalled $221.5 million, up from $176.8 million at the end of 1992. Most of this increase in debt levels occurred in BOVAR as a result of financing the expansion to the hazardous waste treatment facility. Long-term debt also increased in truck leasing and rentals due to acquisitions.

In March 1993, Trimac completed an offering of 3,500,000 common shares from treasury at a price of $12.875 per share. Net proceeds of the $44.0 million share offering were used principally to reduce long-term debt. Trimac's share price continued to increase following this equity issue and reached an all time high of $19.00 in November 1993. On February 24, 1994, the date of this report, the share price was $16.875.

STRONG CORE OPERATIONS Results from Trimac Transportation improved in 1993, compared to 1992, due mainly to increased volumes in Canadian operations. Higher woodchip volumes in Western Canada and new petroleum hauling contracts across Canada, contributed to improved performance. Results in the United States transportation operations, although profitable, were below expectations. Increased revenues from chemical hauling in the Eastern United States were offset by higher operating costs in the Western United States.

Kenting Energy Services had a very successful year due to improved economic conditions in the oil and gas industry. The Canadian market was exceptionally strong. Drilling activity was up in our United States operations, and we also benefited from a lower exchange rate for the Canadian dollar. In Europe, a large portion of Kenting's fleet was active on several projects in England, Denmark and the Netherlands. Kenting expanded into another international market in 1993, with a joint venture drilling project in Oman.

Rentway achieved significant growth and profitability due, in part, to the acquisition of Intercan Leasing Inc.'s assets in Quebec in March 1993, and the integration of Intercan's Ontario assets acquired in 1992 and early 1993. Rentway's preventative vehicle maintenance operation also made good gains in 1993.

Revenues were up in our Environmental Services operations, although earnings did not meet expectations. In 1993, TriWaste completed its first full year of operation, and considerable capital was required to support the start-up of business. BOVAR's slightly lower results were mainly due to start-up costs associated with its new biomedical waste treatment facility and a new office in Kuala Lumpur, Malaysia. BOVAR renegotiated its joint venture agreement with the Alberta government regarding its investment in the Alberta Special Waste Treatment Centre, which continues to guarantee a minimum rate of return.

As a result of a BOVAR share issue in February 1994, in which Trimac did not participate, Trimac's ownership in BOVAR was diluted from 58 to 48 per cent.

STRENGTH THROUGH DIVERSITY Trimac's investment in five associated companies continued to add value, with Trimac's share of earnings increasing from these companies in 1993.

Banister continued to improve performance despite a very difficult domestic construction market. Heightened activity in pipeline construction made a positive contribution to earnings.

Chauvco maintained its profitable performance in 1993. The company made a small acquisition in Canada, increasing its exposure to improving gas markets, and continued to pursue exploration opportunities in Argentina.

Intera's results also improved in 1993 due to stronger activity in its petroleum production division and increasing profits in its mapping operation.

In October 1993, Trimac Limited exchanged its 45 per cent interest in Alberta Petroleum Equipment Co. for approximately 15 per cent of the outstanding common shares of Taro Industries Limited. Taro is involved in the manufacture, sale and servicing of products and equipment used to enhance production in the petroleum industry in Canada and internationally. In January 1994,

Taro raised $18.6 million through a special warrant issue, and Trimac agreed to purchase its pro-rata share for cash consideration of $3.0 million. This industry segment provided Trimac with better returns in 1993 due to the dramatic upturn in the petroleum industry.

VALUED CONTRIBUTION D. Donald C. McGeachy, a director of Trimac since 1977, will not be standing for re-election to the Board of Directors at the Annual Meeting of Shareholders on May 5, 1994. We would like to express our sincere thanks for his counsel and significant contribution to the company, which has been greatly valued.

Franklin T. Bailey, Vice President Corporate Affairs and Secretary, left Trimac after 17 years of service. He has taken his considerable legal knowledge, particularly in environmental law, to our affiliate company BOVAR Inc., which he joined in August 1993. We wish to thank Frank for his continued dedication and valuable counsel to the Trimac group of companies.

LOOKING AHEAD We believe the outlook for our group of companies is favourable for 1994.

Our transportation operation stands to benefit from investment in infrastructure in both Canada and the United States. Trimac Transportation is recognized as a quality carrier and this continues to result in valuable partnership arrangements with large shippers.

We believe our drilling services business will sustain its momentum in 1994, particularly in North America. Increased prices for natural gas and stronger cash flows in the energy sector will drive this activity. However, oil prices will need to stabilize at current or higher levels.

Rentway's strong national presence, through acquisitions and the addition of new branches in major markets, positions it for further growth in 1994. Rentway will also enhance its efficiency and returns through investment in improved management information systems.

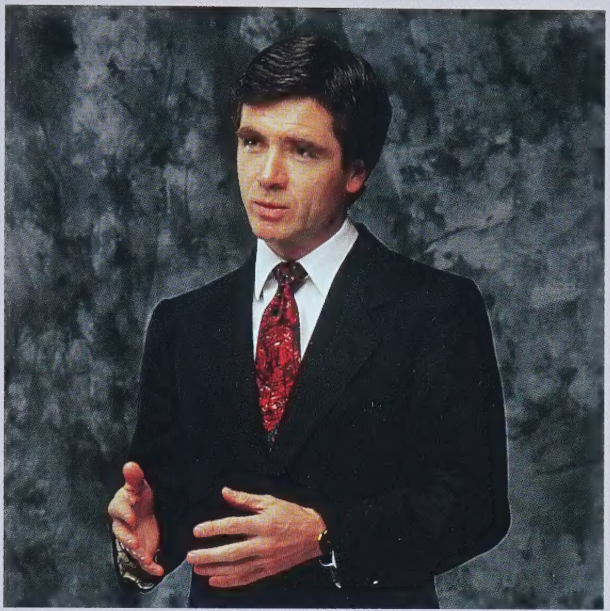
We are encouraged about prospects for both TriWaste and BOVAR. These operations will focus on improving returns while continuing to be growth oriented.

The Trimac Group of Companies improved profitability from operations in 1993, and we are optimistic that 1994 will be another successful year. Much of the credit for our results can be attributed to our dedicated team of employees who share a common focus of providing the highest quality service to our large industrial customer base. Their specialized skills and commitment are responsible for our sustained leadership position in each of our businesses and the markets we serve. We are grateful for their efforts, particularly during these challenging and rapidly changing times. With their ongoing support, we are confident that we will continue to fulfill our long-term strategy of delivering value to our shareholders through profitable and responsible growth.

J.R. McCaig
Chairman

J.J. McCaig
President

February 24, 1994



Jeffrey J. McCaig, President

The Trimac Group of Companies

In Discussion with President Jeffrey McCaig

How does Trimac deliver value for shareholders?

Trimac is a diverse group of companies. We believe we deliver value throughout our operations by sound, strategic management. We have a group of senior managers who are a combination of hands-on operating people in our subsidiaries and corporate staff professionals in Trimac Limited. Our operating managers are very effective in running their businesses. They are focused on providing the best possible service to our customers, delivering value and enhancing earnings. Our corporate managers add value to our subsidiaries and associated companies through their specialized skills which include strategic planning, corporate finance, human resources and communications. This management group shares a common goal – to deliver value to shareholders not just in the short-term, but the long-term as well.

We have a long history of adding value. Since Trimac's initial public offering in 1971, we have grown and increased value in all the businesses in which we have invested, including highway transportation, drilling, truck leasing and rentals and waste management.

What is Trimac's strategy with respect to its investment in associated companies?

It is really the same as our wholly-owned subsidiaries. As long as we perceive the ability to add value to the investment we will continue to hold it. We are active participants in the associated companies we invest in, and partake in their development through their respective boards of directors and with direct management assistance. In some cases, we have taken the opportunity to crystalize some of the positive returns the investment has earned through the whole or partial sale of the investment.

What is a common focus or major thrust for the group of companies in 1994?

All of our subsidiaries have unusually good opportunities for geographic expansion and most are right on the peripheries of existing operations. The transportation business, which operates throughout Canada and the United States, has gained access to Mexico. Rentway has good opportunities to expand into the United States. Environmental Services will also continue to grow in new regions domestically and internationally. And finally, and perhaps most significantly, our drilling business, with operations in Canada, United States and Europe, and a presence in the Persian Gulf, is positioned to expand into other international markets.

Andrew Zaleski, President,
Trimac Transportation System

Continued Growth in Competitive Markets

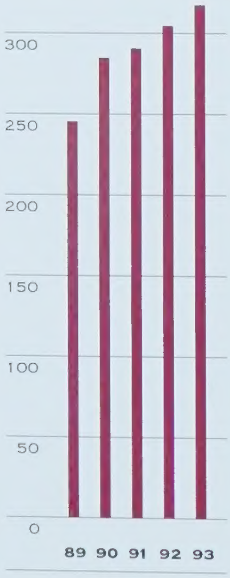
Trimac Transportation provides truck transportation of bulk commodities, as well as related distribution and management services throughout North America. We transport a wide range of liquid, dry and gaseous products for a large industrial customer base. Trimac is the largest bulk highway transportation company in North America with 2,900 employees and owner-operators, 1,672 power units and 3,891 trailers working from 91 locations.

TRIMAC TRANSPORTATION SYSTEM

Our mission is to expand our leadership position through:

- Excellence of service and development of competitive service packages that recognize the changing needs of customers;
- Innovation, including the exploitation of technology;
- Profitable growth in stable and expanding markets;
- Recognition of the integral role of employees and the need to provide a fulfilling environment for their contribution; and,
- Provision of a meaningful return to our shareholders.

TRIMAC TRANSPORTATION REVENUES
MILLIONS OF DOLLARS

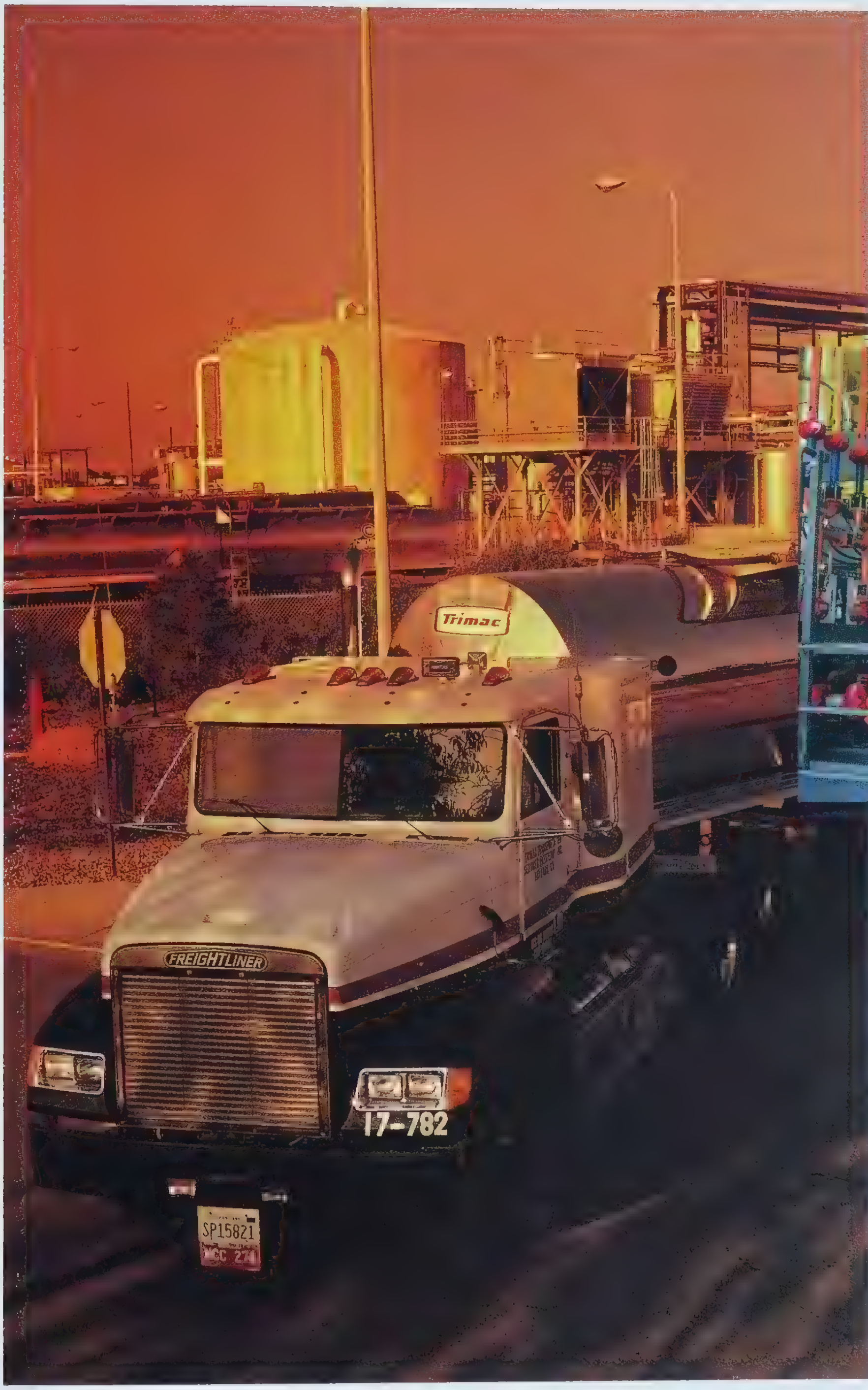


PROFITS INCREASE Trimac Transportation recorded increased revenues and earnings despite difficult economic conditions throughout North America in 1993. Revenues in 1993 increased to $324.2 million from $304.2 million in 1992. Earnings, before taxes, were up to $13.0 million compared to $11.4 million in the previous year.

CANADIAN OPERATIONS IMPROVE In Canada, our performance improved over 1992. We achieved gains in market share and improved margins despite the weak performance of the construction and manufacturing sectors in Eastern Canada.

Our market share in Ontario improved when we obtained approximately $3.0 million in annual revenues, hauling petroleum for Esso from Sarnia and St. George. This business had previously been handled by Esso's private fleet.

Further market penetration was gained when Trimac Transportation acquired Queensway Tank Lines Inc.'s chemical hauling business in Quebec. The purchase



Trimac Transportation's five-year contract, with major chemical manufacturer Rohm and Haas, called for the construction of two fully dedicated terminals adjacent to the Rohm and Haas plants. The operation in Hayward, California, is pictured here along with the internal tank cleaning facility which incorporates a closed loop system which provides for responsible effluent management. Another terminal in Bristol, Pennsylvania, will open in May 1994. Trimac has a continual program to put specially designed equipment in place, which will total in excess of 100 units in both locations.

TRIMAC TRANSPORTATION

(thousands of dollars)	1993	1992	1991
Revenues	**$324,246**	$304,239	$291,079
Earnings before interest and taxes	**17,713**	17,277	16,053
Pretax earnings	**12,954**	11,366	8,405
Cash from operations	**33,281**	29,665	26,631
Identifiable assets	**202,373**	180,021	172,866
Long-term debt*	**75,331**	66,616	57,739
Depreciation and amortization	**23,717**	21,748	20,880
Net capital expenditures	**40,063**	23,273	16,572
Return on net assets (%)	**11.9**	12.6	11.2

*Includes intercompany debt with the parent company of: 1993 – $31,500
1992 – $12,500
1991 – nil

included 42 trailers and the leasing of a terminal facility in Montreal with an internal tank cleaning washrack. Annual revenues of $3.0 million are expected to be generated from these assets.

Our five-year, $15.0 million contract with Falconbridge, initiated in 1992, to haul nickel slurry in northern Ontario, produced steady volumes even though a five-week shutdown occurred in January 1993.

In Western Canada, Trimac Transportation recorded growth in revenues and margins despite an unseasonably wet summer, particularly in Alberta, which affected revenues from the hauling of asphalt and construction materials. These lower revenues were offset somewhat by the effects of the B.C. Rail strike, which created additional hauling opportunities for products that move traditionally by rail. Bulk Systems, our woodchip hauling division with operations in Alberta, Ontario, British Columbia and Washington State, continued to show growth in revenues and earnings.

Bulk Systems, Trimac Transportation's woodchip division, operates in British Columbia, Alberta, Ontario and Washington State, and serves the pulp and paper industry. The hydraulic dump trailer pictured above complements a fleet of numerous innovative designs.

MIXED RESULTS IN UNITED STATES Results for Trimac Transportation's operations in the United States in 1993 were below the previous year, and were attributable to a number of factors. Operations in the Western United States did not meet revenue and cost control expectations, primarily as a result of business lost at the end of 1992 that was not replaced. In addition, expenses for health benefits, hospitalization and workers' compensation were higher than the previous year. Operating costs also increased, particularly in the last quarter, due to a 4.3 cent increase per U.S. gallon fuel tax legislated in October 1993. A further increase in fuel prices of 8 to 12 cents per U.S. gallon, was related to low sulphur fuel requirements mandated by the U.S. Environmental Protection Agency.

The Glenbrook Nickel Company shut down their operation in Coos Bay, Oregon, in August 1993, and it will remain closed until there is significant improvement in the price of nickel. In 1992, we entered into a contract to haul nickel ore to their smelter in Riddle, Oregon, and we anticipated revenues of $26.0 million over six years. Contract terms have enabled us to recover the fixed operating costs.

Trimac Transportation expanded in the Pacific Northwest with the purchase of the assets of Pacific Trucking Inc. of Seattle, Washington in August 1993. The operations of Pacific Trucking were combined with our existing petroleum operations in Washington State and Oregon. Incremental annual revenues of $4.0 million are expected in 1994.


The petroleum unit pictured above is one of several that Trimac Transportation operates in Washington State and Oregon. In 1993, Trimac expanded its presence in the Pacific Northwest with the purchase of Pacific Trucking Inc. of Seattle, Washington.

In the Eastern United States, operations improved due to strong volumes in chemical hauling and good cost controls.

In 1992, Trimac Transportation signed a five-year $50.0 million contract with Rohm and Haas, a major U.S. chemical manufacturer, to provide transportation services on both the east and west coasts. This contract is in addition to providing transportation services for Rohm and Haas at other locations in the United States. To service the contract, two major terminals were built during 1993. One terminal at Hayward, California was commissioned in September 1993, and an eastern terminal will be completed in May 1994 at Bristol, Pennsylvania. Capital expenditures in 1993 for both operations totalled $13.5 million. Total 1993 revenues from our business with Rohm and Haas exceeded $27.0 million.

ACCESS TO MEXICO To position Trimac for increased cross-border traffic between the United States and Mexico, an agreement was signed in 1993 with Transportes Norti-Mex, an associated company of Transportes Inter-Mex of Mexico City. The agreement allows for the interchange of trailers at the Mexico/United States border, and is an important step in positioning Trimac to benefit from the increased trade in bulk commodities among all three countries in North America.

QUALITY CARRIER We continue to improve our work processes in order to increase customer satisfaction and reduce costs. To track our progress in these areas, and to enable us to further improve our performance, we continue to measure improvements in such areas as on-time service, payload optimization, equipment utility, loading and unloading times and fuel economy.

Trimac Transportation was recognized as a "Quality Carrier" in *Distribution Magazine's* 10th Annual Quest for Quality survey. Only two bulk carriers were recognized in the bulk carriers class and Trimac alone received consistently above average scores in all categories. The survey respondents included a wide range of shippers throughout North America.

DELIVERING VALUE

Technology Adds Value to Enhance Safety, Service and Operating Costs

TRIMAC TRANSPORTATION IS CONTINUALLY LOOKING FOR WAYS TO IMPROVE ITS OPERATIONS THROUGH THE APPLICATION OF NEW TECHNOLOGIES. THESE ADVANCEMENTS HAVE ENABLED US TO IMPROVE ROAD SAFETY, REDUCE OPERATING COSTS AND STREAMLINE OPERATIONS. FOR EXAMPLE, WE HAVE BEEN VERY SUCCESSFUL OVER THE LAST FIVE YEARS IN REDUCING WEIGHT OF EQUIPMENT TO IMPROVE PAYLOADS.

IN 1994, TRIMAC ADOPTED ANTI-LOCK BRAKE SYSTEMS (ABS) AS STANDARD EQUIPMENT FOR ALL NEW COMPANY TRACTORS AND MOST TRAILERS. THE PRINCIPAL ADVANTAGES ARE IMPROVED ROAD HANDLING AND STOPPING CAPABILITIES, PARTICULARLY ON SLIPPERY SURFACES, AS WELL AS REDUCED TIRE WEAR. TRIMAC EXPERIMENTED WITH ABS IN A NUMBER OF LOCATIONS BEFORE ADOPTING THE NEW EQUIPMENT STANDARD.

On-board computers, like the one in use in this Bulk Systems tractor, enable drivers to enter coded information about products carried, weights, speed and distance, which eliminates paperwork.

WE HAVE ALSO INSTALLED ON-BOARD COMPUTERS ON MANY COMPANY TRACTORS. IMMEDIATE BENEFITS WERE REALIZED IN FUEL CONSUMPTION THROUGH REDUCED IDLING. THE COMPUTER AUTOMATICALLY RECORDS SPEED, RPM'S, IDLE TIME, ACTIVITY TIME AND MILES, AS WELL AS DRIVERS' HOURS OF SERVICE. DRIVERS CAN ENTER CODED INFORMATION ABOUT TYPE OF LOADS, WEIGHTS, TRIP DELAYS AND LOCATION. THIS INFORMATION IS DOWNLOADED TO OTHER COMPUTER SYSTEMS AND ELIMINATES PAPERWORK AND SUBSEQUENT DATA ENTRY. ALL UNITS IN THE BULK SYSTEMS WOODCHIP OPERATIONS ARE EQUIPPED WITH ON-BOARD COMPUTERS, AND STUDIES ARE CURRENTLY UNDERWAY REGARDING COMPANY-WIDE INSTALLATION OF ON-BOARD COMPUTERS.

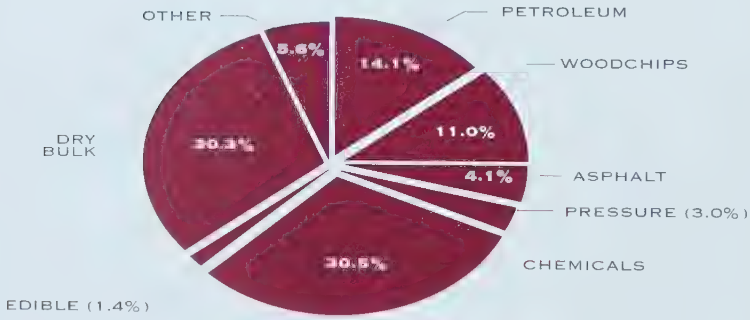
APPLIED INFORMATION TECHNOLOGY Trimac Transportation continues to make progress and investment in the application of information technology. An activity-based information system was implemented in 1993 to significantly improve management's access to timely operating and cost information, and yield more accurate profitability analysis.

A new dispatch system has been developed and implemented which has led to improved dispatch processes and integration of the reporting of customer service levels and payload productivity levels. Also, a new shop management information system is being developed jointly with Trimac Limited's equipment leasing and rental operation, Rentway Inc. This new system will provide both Trimac and Rentway with more efficient scheduling and better management and control of the maintenance aspects of their businesses. Several pilot sites are under review prior to company-wide implementation.

These programs are having a positive impact on our results. With strong competition in the bulk trucking industry, price increases have been well below the rate of inflation for the past several years. Measures to improve our internal work processes have been a major focus for increasing our levels of customer service and our financial performance.

Diane Chaudier, Quality Assurance Facilitator for Trimac Transportation in Montreal, works at the dispatch screen, calling up performance measurement statistics such as number of loads and on-time deliveries for Sal Catalozzi, Region Accounts Manager (centre), and Bob McLean, Operations Manager.

1993 TRANSPORTATION REVENUES BY COMMODITY



HAULING CAPABILITIES

	Canada	U.S.A.	Total
Power units (owned and leased)	882	790	1,672
Trailers	2,362	1,529	3,891
Terminals	52	39	91

LOOKING AHEAD There is a trend among some of our major customers, primarily in the chemical industry, to rationalize their distribution costs. This could result in further compression in the bulk trucking industry, as shippers award their business to a smaller group of carriers. We see this as an opportunity that could lead to additional business gains for Trimac Transportation. We believe we are a capable and innovative transporter and our management and employees are clearly committed to quality service and customer satisfaction.

Governments in both Canada and the United States are launching infrastructure programs and Trimac Transportation is well positioned to benefit from the associated bulk hauling opportunities. A $6.0 billion, two-year federal program in Canada is directed primarily to municipal infrastructure projects, although it is likely to act as a catalyst to encourage other infrastructure programs such as a renewal of Canada's national highway system.

A five-year contract with CP Rail System commenced in 1992, and involves hauling zinc and copper concentrate from Minnova Mines in Winston Lake, Ontario, to CP Rail System's terminal in Schreiber, Ontario. Trimac loads the product into special containers, which ~~is~~ are then transported and unloaded into CP Rail cars.

We expect 1994 to be a year of continued change as our major clients continue to fine tune their transportation logistics. Our strategic directives will be focused on improving returns from existing operations, particularly in the United States where management changes were made in mid-1993. We will also be developing new and profitable revenue sources from major contracts, through a renewed focus on customer development. These efforts, combined with improved asset utility, and the continuous training and development of our employees to improve productivity, position Trimac Transportation to maintain and improve its market share.

Trimac Transportation strengthened its market position in Quebec in 1993, with the purchase of Queensway Tank Lines Inc.'s chemical hauling business. Pictured above is a chemical unit in operation in Montreal.

TERMINAL AND OFFICE LOCATIONS

Art Dumont, President,
Kenting Energy Services

DELIVERING VALUE

Providing Quality, Cost Efficient Services

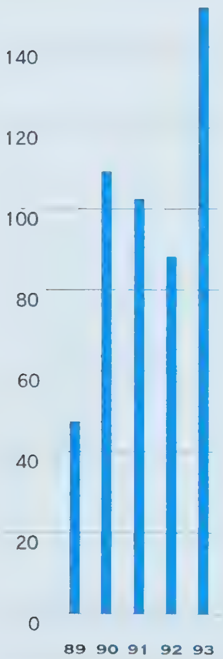
Trimac, through Kenting Energy Services, provides contract drilling services for the exploration and development of oil and natural gas reserves, and for geothermal and scientific purposes in Canada, the United States, Europe and other select international markets. With a fleet of 90 rigs, Kenting is the largest Canadian-owned drilling contractor and one of the largest land drilling contractors in the world. Kenting is focused on growth through providing the highest value to its customers, above average returns for our shareholders and a stimulating environment for employees.

KENTING ENERGY SERVICES

Our mission is to provide prudent management of growth through:

- Quality service;
- Cost effectiveness;
- A high regard for the safety and health of our employees, customers, the public and the environment;
- Operating divisions of sufficient size to achieve our group's vision of providing each customer with cost effective, quality drilling services and providing shareholders with adequate returns; and,
- Innovation, including exploitation of technology.

KENTING ENERGY SERVICES REVENUES
MILLIONS OF DOLLARS



EXCEPTIONAL PERFORMANCE Kenting experienced a very strong year in 1993, particularly in the Canadian market. Industry-wide, the active rig count in Canada more than doubled from 1992. Industry activity levels in the United States increased more modestly with an average of 756 rigs active during 1993, a gain of 39 rigs from 1992. Our European fleet performed well in 1993, participating in geoscientific and geothermal work, as well as oil and gas exploration and development drilling.

This revitalized environment enabled Kenting to record greatly improved returns compared to the past several years. Revenues for Kenting were $149.8 million, up substantially from $91.6 million in 1992. Earnings, before taxes, were $17.0 million compared to a loss of $494,000 in 1992.

(Left) This Kenting Hi-Tower rig, operating in northern Alberta, is one of a fleet of 29 rigs that serve the deep drilling market in Western Canada. The deep market, which is primarily focused on natural gas, had a stronger year in 1993 due to higher natural gas prices. (Inset) A rig worker changes pipe on a Kenting Apollo rig in Colorado. Kenting Apollo, which markets 21 rigs in the U.S. Rocky Mountain Region, also had an active year.

KENTING ENERGY SERVICES

(thousands of dollars)	1993	1992	1991
Revenues	**$149,776**	$91,573	$102,568
Earnings before interest and taxes	**17,512**	216	4,580
Pretax earnings	**16,959**	(494)	3,172
Cash from operations	**21,215**	3,725	6,789
Identifiable assets	**90,635**	61,232	60,278
Long-term debt	**7,569**	8,298	13,418
Depreciation and amortization	**5,522**	5,785	6,018
Net capital expenditures	**12,395**	1,901	5,557
Return on net assets (%)	**44.3**	1.4	12.8

STRONG CANADIAN MARKET The dramatic upturn in Canada occurred in the shallow depth market, where Kenting's Sedco Drilling operation markets 32 rigs. The average drilling rig utilization rate for Sedco in 1993 was 59.3 per cent, which surpassed the industry average in the shallow depth market of 53.5 per cent.

Kenting Hi-Tower, which operates 29 rigs and specializes in the intermediate and deep drilling market, also had a much improved year. In 1992, the deep market, which is essentially focused on natural gas, was extremely weak. Due to a resurgence in natural gas prices, the industry average drilling rig utilization rate for the deep market improved to 35.9 per cent and Kenting Hi-Tower's was higher at 38.6 per cent.

A number of factors contributed to the resurgence of activity in the Canadian drilling market. An Alberta program of royalty reductions beginning in late 1992 for development oil wells, helped stimulate drilling activity. The program eventually ended August 31, 1993 after two extensions. Other positive factors included a strong equity market for oil and gas issuers, higher natural gas prices, relatively stable crude oil prices for most of the year, a low exchange rate for the Canadian dollar, a narrower price differential for heavy oil and the continuation of federal tax incentives for the oil and gas industry.

ACTIVITY UP IN UNITED STATES Operations also improved for Kenting Apollo, which markets 21 rigs in the United States Rocky Mountain Region. The average drilling rig utilization rate for Kenting Apollo was 47 per cent, exceeding the industry average of 36 per cent. To reposition Kenting Apollo in this market, we disposed of less productive, older, deep capacity equipment, and acquired equipment better suited to meet the needs of a shallower drilling market.

One example of activity we are seeing in this market is demonstrated by an alliance Kenting Apollo entered into with Snyder Oil Corporation of Fort Worth, Texas. Kenting Apollo is Snyder Oil's primary drilling contractor for an expected five-year program in the highly active Denver Julesberg Basin in Colorado. Snyder is a major player in this market, and we see good prospects arising from this alliance.

STRONG YEAR IN EUROPE Kenting Drilling Services, which operates eight rigs in Europe, experienced another busy year in 1993. Drilling and associated geoscientific investigation activities continued at Sellafield, England for UK Nirex Limited. This site is the preferred location for the U.K. national underground repository for solid, low and intermediate radioactive waste. The project is being conducted by the KSW Deep Exploration Group Joint Venture of which Kenting Drilling Services is the lead partner. Five of Kenting's rigs were engaged on the project, three continuously and two intermittently.

In England, Kenting Drilling Services remained active conducting geoscientific drilling in Sellafield for UK Nirex Limited. Five of Kenting's rigs were engaged in the project in 1993.

RIG CAPACITIES

Maximum Depths	Kenting Hi-Tower	Sedco	Kenting Apollo	Kenting Drilling Services	Total
2 400 m (7,800 ft.)	–	28	9	3	40
3 100 m (10,500 ft.)	7	4	3	2	16
3 800 m (12,500 ft.)	12	–	5	1	18
4 600 m (15,100 ft.)	6	–	4	2	12
7 600 m (25,000 ft.)	4	–	–	–	4
	29	32	21	8	90

Kenting continues to be active in Denmark with oil and gas exploration drilling and gas storage drilling, and in the Netherlands with oil and gas exploration and development drilling. In the Azores, in association with a Portuguese contractor, Kenting is involved with geothermal energy development.

International Expansion In May 1993, a subsidiary of Kenting became a 25 per cent participant in a company to operate in the northern oilfields of the Sultanate of Oman in the Persian Gulf. The company has been awarded a four-year drilling contract by a Shell Oil affiliate to supply and operate a desert-style rig. The rig began drilling in January 1994. This contract provides an important entry into the Middle East, and the potential to create further business opportunities for Kenting in the area.

Looking Ahead We anticipate continued strong demand for drilling rigs in 1994, particularly in Canada. The industry is shifting from the shallow depth oil market to the deeper gas market as a result of stronger natural gas prices. This shift is favourable for Kenting, because an increase in the average depth of wells in the deep market leads to more drilling days per well.

In the United States, we expect a somewhat stronger market than in 1993. We anticipate some under-supply in the natural gas market, which should result in more drilling.

While oil prices are currently uncertain, we believe that the higher prices for natural gas will continue to drive strong drilling activity in North America.

In Europe, our work on the Sellafield project will begin winding down in 1994, and replacement work is being actively pursued.

Sedco's crews were very busy in 1993, driven by a strong year in the shallow drilling market. This upswing in activity has carried into 1994.

DELIVERING VALUE

Strength in the Shallow Market

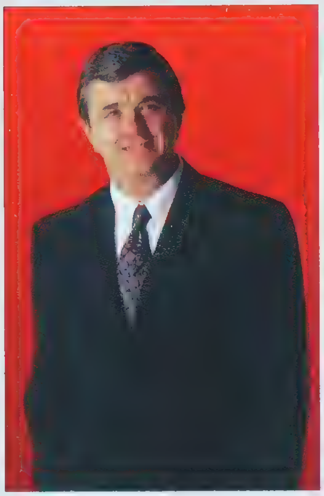
Sedco Drilling had one of the busiest periods in its 45-year history in 1993. The company's drilling rig utilization rates were very high, consistently exceeding industry averages, and drilling days more than doubled to 6,032 in 1993, from 3,240 days in 1992.

Sedco's strong reputation in the industry and the dedication of our rig managers and crews were directly responsible for our success during this busy year. Our employees worked hard to meet the major logistical challenge of supporting and crewing Sedco's 32 rigs, all of which operated during this very active period.

The upsurge in activity was attributable to a number of key factors. The Alberta government instituted a more favourable royalty regime for producers. The federal government made changes to the Income Tax Act regarding the deductibility of Canadian Development Expense, which improved companies' ability to raise investment capital. And, the decline in the Canadian dollar versus the U.S. dollar increased cash flow from sales of crude oil and natural gas which are usually priced in U.S. dollars. Strong equity markets for oil and gas issuers was another positive factor.

Companies specializing in shallow drilling, such as Sedco, felt the upswing more quickly than those involved in deep drilling. Shallow drilling projects are less risky, cost less and are shorter-term, and are consequently the first projects to benefit from a more optimistic industry environment.

In 1993, Sedco also significantly strengthened its market share in horizontal drilling, completing 127 wells compared to 38 in 1992. This was achieved as a result of a strategic focus in 1992 to upgrade specific rigs to enable the drilling of more horizontal wells, combined with a strong sales effort and an improved market. Sedco drilled 17 per cent of all horizontal wells in 1993, versus 11 per cent in the previous year.



Ron Waye, President, Rentway Inc.

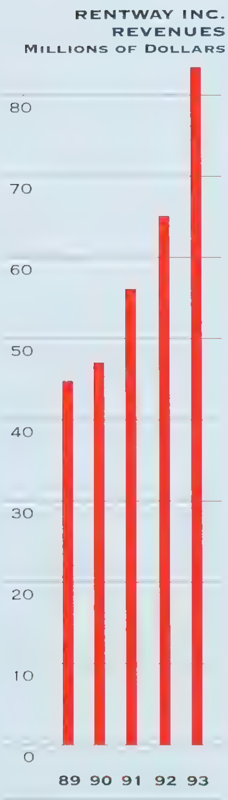
Exceeding Expectations – Rentway's Competitive Advantage

Rentway Inc. provides truck fleet management services including full-service leasing, rentals, and maintenance and repair services from Quebec to British Columbia, and serves select areas of the Northern United States through wholly-owned Triway Truck Leasing, Inc. Rentway operates a fleet of approximately 4,000 vehicles through 27 company-operated shops.

RENTWAY INC.

Our mission is to be the leading national provider of truck fleet management services with the best national network of heavy truck service shops and local employee teams. We accomplish this through:

- A focus on customer satisfaction that emphasizes exceeding customer expectations;
- A unique combination of financial stability and flexibility;
- Maintaining a safe and healthy working environment;
- Investing for both short and long-term improvements in customer value and return on shareholder equity; and,
- A commitment to an ongoing, formal quality management process.



IMPROVED RESULTS In 1993, Rentway achieved record revenues and earnings due to improved markets, acquisitions made during the year and the successful implementation of our *Plus Alpha Quality* management program.

Rentway's revenues increased to $84.0 million from $65.9 million in 1992. Earnings, before taxes, were $4.4 million, up from $2.1 million in the previous year. All Canadian branches were profitable.

CONTINUED STRONG GROWTH Rentway's full range of products and services performed well in 1993. High activity levels for full-service leasing were attained due to the acquisition of assets and the formation of significant customer partnerships. Our full-service lease business provides customers with total vehicle

All of Rentway's products and services performed well in 1993. This commercial rental vehicle is part of a large, quality fleet that continued to expand to meet the demands of a growing market. (Inset) – From left: Fred Hildebrand, District Manager, Toronto, and Fern Forget, Rentway's Director Maintenance and Purchasing, discuss maintenance and vehicle specifications at the newly upgraded Mississauga branch.

RENTWAY INC.

(thousands of dollars)	1993	1992	1991
Revenues	**$ 83,968**	$ 65,938	$55,375
Earnings before interest and taxes	**10,588**	7,566	6,695
Pretax earnings	**4,381**	2,057	905
Cash from operations	**26,531**	20,802	16,151
Identifiable assets	**131,359**	105,234	78,113
Long-term debt*	**88,108**	72,952	49,420
Depreciation and amortization	**25,696**	20,184	16,155
Net capital expenditures	**48,944**	42,322	28,007
Return on equity (%)	**13.0**	8.6	4.8

*Includes intercompany debt with the parent company of: 1993 – $ 6,000
1992 – $10,000
1991 – nil

management, including comprehensive preventative maintenance for terms that average four years.

In 1993, 338 power units were added to the Rentway fleet through the purchase of the power equipment assets in Quebec of Intercan Leasing Inc. We had acquired Intercan's assets in Toronto and southern Ontario in July 1992, and purchased Intercan's eastern Ontario assets in January 1993. These assets have been integrated into Rentway's operations and are generating positive returns. We are experiencing a good retention rate of new customers from these acquisitions.

Rentway and Customized Transportation work together to meet the transportation and logistical needs of Chrysler's LH car manufacturing plant in Bramalea, Ontario.

A strong market for the resale of well maintained used trucks resulted in good gains for Rentway. Approximately 40 per cent of the equipment acquired from Intercan was successfully sold into this market.

During 1993, Rentway also acquired L & S Transportation Services of Calgary, which added another service niche for customer growth by enhancing our fuel tax reporting, licensing and permitting capabilities.

Internal growth resulted primarily from the continued expansion of Rentway's "Trukcare" fleet maintenance programs and increased activity of our commercial rental fleet. "Trukcare" provides fleet maintenance and management services to non-lease customers and "Trukcare P.M." provides fixed-price preventative maintenance. At the end of 1993, we had more than 1,300 vehicles on Trukcare P.M. contracts.

Rentway's commercial rental business showed solid profit growth. We expanded our fleet to support the acquisition of the assets from Intercan, and to allow us to offer commercial rental services in new locations.

A Shop-Based Strategy In 1993, we continued to advance our shop-based strategy of being the leading national provider of heavy truck service shops. As part of our acquisition of Intercan in Quebec, we opened a new branch in Laval, moved to better facilities in Quebec City, and expanded our Boucherville facility to support our enlarged fleet and customer base. In late 1993, Rentway also opened a new facility in the west end of Montreal, which combined the previous Rentway and Intercan branches.

Air Products has been a full-service lease customer of Rentway for eight years. Under full-service lease, Rentway provides complete fleet management including vehicle specification and quality preventative maintenance.

Rentway further strengthened its market position in Ontario and British Columbia. We upgraded our Mississauga facility, and a new branch was opened on Annacis Island, British Columbia in early 1994. This strategic growth provides us with distinct competitive advantages, and supports the objective of maintaining a leadership position in each of the markets we serve.

Opportunity in the United States In late 1993, we restructured the operations of Triway Truck Leasing in the United States. Headquartered near Toledo, Ohio, Triway is expanding to meet the needs of significant automotive business related activities and, in 1994, a new branch was opened in the greater Detroit area.

Plus Alpha Quality During the year, Rentway continued to implement its total quality management program with the introduction of ***Plus Alpha Quality.*** Previously, each member of Rentway's employee team had received formal training in both the principles and the statistical measurement techniques of quality management. With ***Plus Alpha Quality,*** we have created our own unique, branded identity and definition. In essence, Rentway's philosophy for success is "a lot of people doing the right things right at the same time".

We have taken a strong Rentway tradition for quality and created higher standards for customer service and value. We are seeing improvements in customer focus, employee initiative and empowerment, as well as major gains in the productivity of our work processes. These, in turn, are leading to new business opportunities and improved returns.

Looking Ahead We will continue to invest in our quality programs to generate measurable productivity and customer service improvements. This includes enhancing our effectiveness through a commitment to improved information systems. Rentway's plans for 1994 include the installation of a state-of-the-art client/server-based shop management system. This shop system was developed after considerable analysis of existing systems throughout North America. The project is consistent with our shop-based strategy and is being co-developed with Trimac Transportation.

Rentway anticipates continued growth based on the rising numbers of companies outsourcing logistics and trucking services. Rentway is well positioned to service this market opportunity, because of our quality shop-based strategy and the commitment of our employees to exceeding customers' expectations.

DELIVERING VALUE

Quality Partnerships Drive 'Win-Win' Solutions

Rentway's business strategy is based upon the philosophy that the only good deals are 'win-win' deals. This philosophy guides all of our business arrangements with customers and suppliers – from initial negotiations through to continuing operations.

Rentway only directly undertakes those activities where we believe we can exceed customer expectations. This includes our full service leasing and vehicle management operations. In the case of dedicated logistics, where extended transportation and distribution services are provided in addition to vehicle leasing and maintenance, Rentway works with quality companies specializing in the area. For example, Rentway and Customized Transportation work

In 1993, Neilson Dairy of [illegible], Ontario, a quality food company, decided to [illegible] the management of its truck fleet to Rentway.

together as partners to meet the transportation and logistical needs of Chrysler's successful LH car manufacturing plant in Bramalea, Ontario.

To facilitate communications with business partnerships, Rentway strives to enter into documented quality agreements which detail the ongoing expectations of each party. Our partnerships are supported by statistical measurements, and by employees committed to and empowered to fully satisfy our customers.

In 1993, this approach, which is a vital part of our Plus Alpha Quality program, resulted in significant new quality partnerships, including one with Neilson Dairy in Ottawa, Ontario. In this case, we purchased Neilson's fleet and leased back to them newer, more productive equipment, which enabled Neilson to free up resources.

David Bromley, President,
TriWaste Reduction Services Inc.

DELIVERING VALUE

Providing Environmental and Economic Benefits Through Waste Reduction and Recovery

TriWaste's mission is to provide services which reduce or eliminate residual waste volumes requiring end disposal, in order to provide waste generators with an economic and environmental benefit. We accomplish this through:

- Developing technology and market niches where TriWaste can collect and manage waste material, recover products and redistribute a new product back to the original customer; and,
- Ensuring that the customer can clearly identify both the environmental and economic benefit that will result from the use of TriWaste's services.

Environmental services are an integral part of all Trimac operations. We provide environmental services through wholly-owned TriWaste Reduction Services Inc., and affiliates, and through our investment in BOVAR Inc.

TriWaste Reduction Services Inc.

Start-up Losses Established in 1992, TriWaste continued to be in a start-up phase in 1993, its first full year of operation. Capital expenditures were required for TriWaste to build an effective infrastructure and, as expected, losses were incurred in the year. Revenues were $10.3 million in 1993, compared to $1.7 million in 1992. The loss, before taxes, was $4.7 million versus a loss of $1.2 million in the previous year.

Targeting The Marketplace TriWaste provides services to commercial and industrial customers in three market segments.

- Through our Major Projects group, TriWaste focuses on remediation projects which require project management and applied science or technology to provide separation and removal of particular contaminants from a variety of waste materials.
- Our Small Quantity Waste Generators group concentrates on the collection, recycling and recovery of special waste including photographic chemical wastes, solvents and glycols, and miscellaneous industrial wastes from our RecoverALL program.
- TRS Abandonrite provides downhole abandonment services for owners of oil and gas wells and surface reclamation for surrounding sites.

Environmental Services
(thousands of dollars)

	1993	1992
Revenues	**$60,813**	$14,305
Pretax loss (before minority interest)	**(4,101)**	(1,242)

Includes the results of TriWaste Reduction Services, and, from September 30, 1992, results of BOVAR Inc.

Major Projects TriWaste has developed advanced mobile technology to handle site remediation including the treatment of sludge, solids, soil and water. Additional mobile technology is used for sludge dewatering. We are also continuing

to enhance our waste water treatment equipment which separates metals and hydrocarbons from waste water.

Along with the mobile technology, we have three hazardous waste treatment facilities; one in British Columbia and two in Alberta, including a sludge management facility currently being completed in Redwater, Alberta.

SMALL QUANTITY GENERATORS To serve the Small Quantity Generators market, TriWaste owns and operates processing facilities in Edmonton and Toronto which serve the photochemical industry. TriWaste has developed processes which provide our photochemical customers with complete recovery of waste products and the distribution of a remanufactured product which meets or exceeds industry quality standards. In addition, we have a majority interest in a plant in southern Alberta, where we have developed a similar recovery and remanufacturing technology for solvents and antifreeze.

TriWaste has also developed the RecoverALL bin program to serve the Small Quantity Generators market; the first program in Canada that allows industrial, manufacturing and resource-based industries to separate their waste at source to reduce waste disposal costs.

WELL SITE ABANDONMENT AND RECLAMATION TRS Abandonrite has experienced high demand for specific downhole and well site abandonment services. In 1993, TRS Abandonrite developed an abandoned well database, which enables easy identification and well site access for its customers, providing cost-effective methods for complete well site abandonment and reclamation.

LOOKING AHEAD In 1993, TriWaste acquired and integrated four businesses. While we will continue to be growth-oriented, a strong focus in 1994 will be to attain profitability. Our goal is to further develop our services and expand our strong industrial and commercial customer base.

DELIVERING VALUE

Mobile Thermal Treatment Provides Low Cost Solution

CANCARB, A COMPANY WHICH MANUFACTURES CARBON BLACK USED IN WIRE AND CABLE COMPONENTS, MECHANICAL RUBBER GOODS AND A NUMBER OF SPECIALTY APPLICATIONS, ASKED TRIWASTE TO SOLVE AN ONGOING WASTE MANAGEMENT PROBLEM.

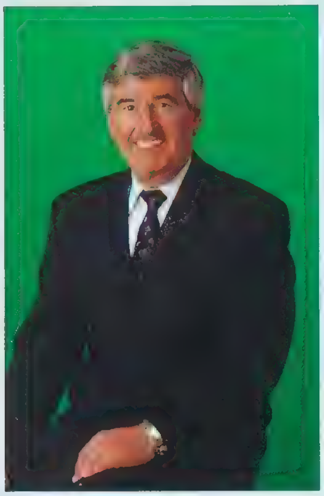
THE MANUFACTURING PROCESS OF CARBON BLACK PRODUCES A WASTE THAT IS CONTAMINATED WITH HIGH CONCENTRATIONS OF POLYAROMATIC HYDROCARBONS. THIS WASTE IS STORED IN A CONCRETE-LINED PIT AND IS PERIODICALLY REMOVED AND INCINERATED. IN THE PAST, THE WASTE HAD BEEN STORED IN A CLAY-LINED EARTHEN PIT. ALTHOUGH THE WASTE IN THE PIT HAD BEEN REMOVED SEVERAL YEARS AGO AND SENT FOR INCINERATION, THE CLAY LINER AND SURROUNDING CONTAMINATED SOIL NEEDED TO BE TREATED AND RECLAIMED.

TRIWASTE'S INITIAL PLAN WAS TO USE MOBILE THERMAL TECHNOLOGY TO REMOVE THE HAZARDOUS CONSTITUENTS TO A LEVEL WHERE THE WASTE SOIL COULD BE DISPOSED OF IN A LANDFILL, A LOWER COST SOLUTION THAN INCINERATION.

TriWaste used this mobile thermal desorption unit to effectively remove hydrocarbons from soil at the Cancarb site.

THE HYDROCARBON-CONTAMINATED SOIL WAS PROCESSED USING A MOBILE THERMAL DESORPTION UNIT, A HIGH VOLUME TREATMENT PROCESS. THE TECHNOLOGY WAS SO SUCCESSFUL THAT THE HAZARDOUS CONTAMINANTS WERE REMOVED ALMOST ENTIRELY, AND THE SOIL COULD BE LEFT ON SITE WITHOUT ANY FURTHER TREATMENT OR DISPOSAL. THIS HAD A SIGNIFICANT ECONOMIC BENEFIT FOR THE CLIENT.

THE RESULTS EXCEEDED EXPECTATIONS OF BOTH TRIWASTE AND CANCARB.



Paul Fee, President, BOVAR Inc.

DELIVERING VALUE

Providing Environmental Solutions For a Global Market Place

BOVAR provides environmental and waste management services to industry and government and, in addition to growing its Canadian base of operations, is expanding into international markets. Diversified, but environmentally-focused, BOVAR's services include consulting, instrumentation and waste management facilities. BOVAR accomplishes its mission through:

- Application of quality management principles, innovation and problem solving strategies, and the development and application of superior technologies; and,
- Recognition of people as its most valuable asset, the development of career paths for personal growth and by providing a safe and healthy work environment.

In February 1994, Trimac's ownership in BOVAR was reduced from 58 per cent to 48 per cent, as a result of a BOVAR share issue in which Trimac did not participate.

BOVAR Inc.

Lower Results In 1993, BOVAR's revenues were $50.4 million compared to $48.8 million in 1992. Earnings from continuing operations, before taxes, were $706,000 ($0.01 per share) compared to $773,000 ($0.01 per share) in the prior year. These slightly lower results were mainly due to the start-up costs related to its biomedical waste facility at Beiseker, Alberta and a new Asia Pacific office in Kuala Lumpur, Malaysia.

Major Expansion At Swan Hills BOVAR is sole operator and 60 per cent owner of the Alberta Special Waste Management System (ASWMS) at Swan Hills, Alberta. An Alberta Crown Corporation is its 40 per cent partner. In 1993, BOVAR renewed its operating agreement, for a further five-year term, which continues to guarantee a minimum rate of return on BOVAR's investment. The ASWMS includes a Treatment Centre, regional receiving transfer stations and specially designed transportation vehicles.

Mechanical construction of a new rotary kiln, with a capacity of treating approximately 37,000 tonnes of waste per year, was completed at the Treatment Centre in October 1993. Commissioning of the new incineration system is targeted for mid-1994.

The Natural Resources Conservation Board of Alberta is holding hearings with respect to the importation of hazardous waste from other Canadian jurisdictions. The review applies only to waste for treatment at Swan Hills and, if approved, the facility will be able to significantly increase throughput and improve profitability.

Meeting Biomedical Waste Management Needs In April 1993, BOVAR Biomedical Services Inc. received a five-year licence from Alberta

Environment to operate its Beiseker, Alberta biomedical waste incineration facility. Volumes have been lower than expected due to short-term licence extensions to some Alberta hospitals to continue to burn waste on site. An amended licence was granted to the facility in December 1993, which will allow it to import biomedical waste and increase capacity.

NEW PRODUCTS, NEW MARKETS BOVAR Engineered Products develops, manufactures and markets instrumentation for environmental monitoring and for improving industrial processes. BOVAR opened an office in Warsaw, Poland in April 1993, and installed an innovative continuous emission monitoring system in a major Polish utility. A similar system was delivered to a Texas utility plant in the fourth quarter of 1993.

EXPANDING ENVIRONMENTAL SERVICES The environmental services division expanded its services and market reach with the acquisition of Concord Corporation of Toronto, effective January 1994. The acquisition has created a leading national company with a broad range of environmental, consulting, technical services and research capabilities. The new business unit will conduct operations under the name BOVAR-CONCORD Environmental.

ASIAN EXPANSION In June 1993, BOVAR expanded its international exposure through a joint venture agreement with a Malaysian company. An office was opened in Kuala Lumpur, Malaysia in the third quarter and several environmental business opportunities are currently being pursued.

LOOKING AHEAD The expansion of the Alberta Special Waste Treatment Centre at Swan Hills, and the fully operational biomedical centre are expected to lead to increased activity and profitability in 1994. BOVAR also expects a positive outcome from the current public review of the Alberta ban on importation of hazardous waste from other provinces for treatment at Swan Hills. Newly-merged BOVAR-CONCORD Environmental anticipates good demand for its services. In addition, the establishment of an office in Malaysia positions BOVAR to market its products and services in the growing Pacific Rim region.

DELIVERING VALUE

Enhanced Incineration Capacity Solves Special Waste Problems

BOVAR'S POSITION AS A LEADING ENVIRONMENTAL AND WASTE MANAGEMENT COMPANY HAS BEEN ENHANCED BY THE ADDITION OF AN $85.0 MILLION INCINERATION SYSTEM AT THE ALBERTA SPECIAL WASTE TREATMENT CENTRE NEAR SWAN HILLS, ALBERTA. IN 1993, BOVAR NEGOTIATED AN INCREASE IN ITS BANK LINES OF CREDIT TO $100.0 MILLION TO FINANCE THIS MAJOR EXPANSION.

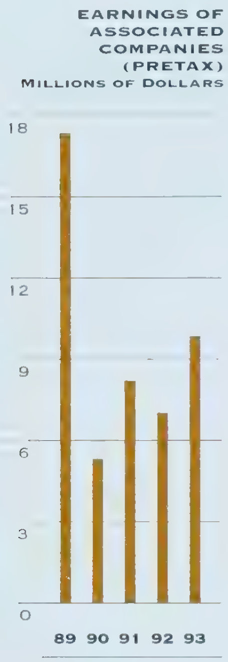
A NEW ROTARY KILN, WHICH WAS COMPLETED IN OCTOBER 1993, IS AT THE HEART OF THE FULLY INTEGRATED FACILITY, THE ONLY ONE OF ITS KIND IN NORTH AMERICA. THE EXPANSION INCREASES THE AMOUNT OF WASTE THE CENTRE CAN PROCESS FROM 18,000 TO 55,000 TONNES ANNUALLY. THE FEED SYSTEM IS MORE FLEXIBLE AND CAN HANDLE MORE TYPES OF WASTE IN LARGER QUANTITIES.

COMPLETED AHEAD OF SCHEDULE AND ON BUDGET, THE EXPANSION TOOK MORE THAN 350,000 [illegible] HOURS AND, AT ITS PEAK, INVOLVED MORE THAN [illegible] CONSTRUCTION WORKERS.

The new rotary kiln for the Alberta Special Waste Treatment Centre travelled by barge from Alabama to Minnesota and then on this large rig to Swan Hills in northcentral Alberta.

COMPLIANCE TESTS ARE BEING CONDUCTED IN MARCH AND APRIL 1994, AND FULL OPERATION OF THE EXPANDED SYSTEM IS EXPECTED IN MID-1994.

THE KILN WAS BUILT IN ANTICIPATION OF SIGNIFICANT ADDITIONAL VOLUMES OF WASTE FROM ALBERTA. HOWEVER, A COMBINATION OF REGULATORY CHANGES, EFFECTIVE WASTE MINIMIZATION BY INDUSTRY AND LOWER LEVELS OF ECONOMIC ACTIVITY MEANS THAT MORE THAN ANTICIPATED CAPACITY IS AVAILABLE TO AN EXPANDED MARKET AREA. THEREFORE, APPROVAL TO IMPORT WASTE FROM OUTSIDE ALBERTA FOR TREATMENT AT THE WORLD CLASS TREATMENT CENTRE, WOULD BE A POSITIVE STEP AND A RESPONSIBLE RESOLUTION TO SPECIAL WASTE PROBLEMS IN CANADA.



DELIVERING VALUE

Opportunity Through Diversity

Trimac participates in the strategic development and growth of five associated companies through significant investments. These companies are involved in oil and gas exploration and production, engineering and construction, information technology and oil field equipment supply and service. Trimac is involved through the companies' respective boards of directors, and through the provision of particular skills and management assistance, as required.

ASSOCIATED COMPANIES

Company	Number of common shares owned as at December 31, 1993	Per cent	Carrying value as at December 31 1993	1992	1991
				(thousands of dollars)	
Banister Inc.	1,865,104	24.4%	**$23,636**	$16,161	$14,501
Chauvco Resources Ltd.	6,473,392	14.6%	**34,935**	30,177	31,849
Intera Information Technologies Corporation	1,006,953	18.2%	**8,151**	8,060	9,398
Taro Industries Limited	5,904,899*	15.2%	**2,951**	—	—
Other			**1,810**	4,565	4,572
Total			**$71,483**	$58,963	$60,320
Trimac's share of earnings before taxes			**$10,437**	$ 7,444	$ 8,682

*Includes 1,842,909 warrants which may be exercised prior to June 30, 1994 to acquire a like number of common shares of Taro.

BANISTER INC.

Banister Inc. is a holding company for a diverse group of Canadian construction companies active in pipeline, civil, nuclear, building, utility and industrial construction.

Banister continued to increase profitability despite depressed domestic market conditions. Net income of $10.1 million ($1.63 per share) was reported on revenues of $468.8 million, compared to net income of $7.2 million ($1.21 per share) on revenues of $347.9 million in 1992.

Banister's pipeline division acquired Majestic Contractors Limited in early 1993, making the combined operations the largest pipeline construction company in Canada. Five major contracts with revenue of $187.8 million were completed in 1993.

Banister's pipeline division was very active in 1993. Pictured above is the installation of concrete coated 42-inch pipe at Elk Crossing in southeastern British Columbia for Alberta Natural Gas Company Ltd.

In civil construction, The Foundation Company Inc. commenced work on four major projects, including hydroelectric projects in India and Colombia, a dam on the Caribbean island of St. Lucia, and the St. Clair River Tunnel connecting Sarnia, Ontario, and Port Huron, Michigan. In cooperation with Atomic Energy of Canada Limited, Foundation continued to participate in the construction of nuclear power generation facilities in Romania and South Korea.

Nicholls-Radtke Group Inc., Banister's 50.1 per cent-owned industrial construction company, maintained its leadership position in the construction of gas-fired cogeneration plants. Through a joint venture with a major engineering firm, the company obtained a design/build contract for a $110.0 million, 102-megawatt cogeneration plant for West Wind- Power at Windsor, Ontario. In addition, a joint venture with a major manufacturer in the United States, In[illegible] Technologies, was launched in 1993 to produce in Ontario, a new form of steam generators for use in [illegible] ation market worldwide.

The outlook for Banister is positive in 1994. Diversity remains a key strategic factor. Banister's high backl[illegible] end of 1993 indicates that growth can continue in 1994.

BANTREL INC.

Bantrel is an engineering, procurement and construction management company providing services to [illegible] petroleum industry.

Bantrel experienced a successful year in 1993, primarily through close working relationships established w[illegible] major petroleum companies which provided additional revenues and work backlog. The petroleum refining sector con[illegible] to provide the bulk of the workload. Other projects were awarded to Bantrel in the areas of natural gas liquids pro[illegible] recovery and oil sands processing.

Bantrel's proven ability to offer top quality service was further demonstrated in 1993 through its achieven[illegible] ISO 9001 certification. Bantrel is the first engineering, procurement and construction management company in [illegible] and one of a very few in North America, to attain this internationally recognized quality assurance standard.

Bantrel's outlook for 1994 is positive. Its backlogs are higher than in 1993, and there are excellent prospects for additiona[illegible] projects, both domestically and internationally.

CHAUVCO RESOURCES LTD.

Chauvco is an intermediate oil and gas exploration and production company with activities in Western Canada, where the company has operated for more than 11 years, and in Argentina where Chauvco commenced operations in 1992.

In 1993, Chauvco continued to increase revenues, earnings and cash flow, although at slower rates than in the past. Gross oil and gas revenues increased to $159.0 million from $142.7 million in 1992. Earnings were $28.2 million ($0.64 per share) in 1993, up from $22.6 million ($0.53 per share) in 1992. Cash flow was $83.3 million ($1.89 per share), compared to $78.3 million ($1.84 per share) in the prior year.

Effective September 1, 1993, Chauvco acquired the gas producing assets of Solex Energy Corp. in the Lookout Butte area in southern Alberta for $21.0 million.

This facility processes natural gas from Chauvco's producing properties in the Tierra del Fuego region of Argentina.

In Argentina, Chauvco reported increased production rates from properties acquired in 1992. Chauvco expanded its land holdings in July 1993, with a purchase of 28,750 acres located in the Dorsal de Neuquen region, an area of significant oil and gas reserves. This acreage is situated near a major natural gas transportation network linked to Buenos Aires. In August 1993, Chauvco acquired 52,000 acres immediately adjacent to the Loma de la Lata field, the largest oil and gas field in Argentina.

Chauvco anticipates further growth in 1994. Increased natural gas production is expected from properties in Argentina, as well as Western Canada.

Intera Information Technologies Corporation

Intera Information Technologies is a multi-national company which develops and sells advanced scientific and engineering services, computer software and digital mapping products to major petroleum companies and governments. Intera helps clients find and produce oil and gas, manage environmental concerns and plan regional and urban development.

ECLIPSE (displayed on computer screen) is Intera's leading petroleum production software product. Installed and in use by more than 100 oil and gas companies worldwide, this software helps Intera's clients identify and better understand their reservoir accumulations of oil and gas.

Intera's results improved in 1993. Net earnings for the fiscal year ended September 30, 1993 were U.S.$1.8 million ($0.32 per share) compared to a loss of U.S.$3.6 million ($0.65 per share) in 1992. Revenues were up slightly to U.S.$73.2 million compared to U.S.$71.0 million in the prior year.

Intera's Petroleum Production division experienced record earnings in 1993. However, losses were incurred in the Exploration division and, after year end, this division was merged with the Petroleum Production division to gain operating efficiencies.

Results were also mixed in the Mapping and Reconnaissance divisions. Image Mapping Services was successful in completing some profitable radar mapping contracts and in obtaining a good backlog for 1994. This progress was somewhat offset by losses in the geographical information systems and digital orthoimaging segments.

Taro Industries Limited

Effective October 1993, Trimac Limited exchanged its 45 per cent interest in Alberta Petroleum Equipment Co. for approximately 15 per cent of the outstanding common shares of Taro Industries Limited. Taro is involved in the manufacture, sale and servicing of products and equipment used to enhance production in the petroleum industry in Canada and internationally.

During 1993, Taro was restructured by a new management team. Taro sold its unprofitable drilling division, eliminated its $20.0 million in debt obligations and in January 1994, obtained new equity through an issue of special warrants. Trimac elected to participate in the issue and purchased its pro-rata share for $3.0 million.

With the acquisition of Alpeco, and the acquisitions of two other companies in December 1993, and January 1994, Taro is well positioned for profitable growth.

OPERATIONS

SUMMARY

Revenues in 1993 of $618.8 million increased by $142.7 million over 1992 due principally to substantially higher levels of activity in Kenting Energy Services and the full year effect of the consolidation of BOVAR on September 30, 1992.

Earnings before discontinued businesses in 1993 were $27.7 million ($0.70 per share) compared to $27.2 million ($0.73 per share) in 1992. It is important to note that earnings in 1992 included $0.41 per share as a result of a gain on the sale of 2,000,000 common shares of Chauvco Resources Ltd. and a dilution gain on a share issue by Chauvco in which Trimac participated at less than its pro-rata interest. Excluding the effects of these gains, earnings, before discontinued businesses, in 1992 were $0.32 per share. The increase in earnings, excluding these gains, in 1993 is due mainly to increased earnings in the Kenting Energy group.

TRANSPORTATION SERVICES

(thousands of dollars)		1993	1992	1991
Revenues	– Canada	**$192,515**	$183,429	$184,871
	– United States	**131,731**	120,810	106,208
		$324,246	$304,239	$291,079
Earnings before taxes	– Canada	**$ 11,935**	$ 9,400	$ 8,673
	– United States	**1,019**	1,966	(268)
		$ 12,954	$ 11,366	$ 8,405

Canada

Revenues in Canadian transportation of $192.5 million were up $9.1 million (5.0%) from 1992, principally as a result of increased woodchip volumes in Western Canada and several new petroleum hauling contracts in both Western and Eastern Canada. Revenues from cement and asphalt hauling were slightly below 1992 levels due to lower levels of construction activity.

Pretax earnings of $11.9 million were up from $9.4 million in 1992. In addition to the increased revenue levels, earnings were positively affected by:

- an improved gross margin percentage reflecting the effect of ongoing cost reduction measures; and,
- reduced interest costs due to lower interest rates.

United States

Revenues of $131.7 million increased by $10.9 million from $120.8 million in 1992. This increase from 1992 is due to higher volumes ($2.7 million) and a lower $U.S. exchange rate for the Canadian dollar ($8.2 million). Increased volumes occurred in:

- chemical hauling operations in the Eastern United States;
- dry bulk operations in Texas as a result of obtaining regulatory authority to haul lime; and,
- the Western U.S. operations, due mainly to the August 1993 acquisition of Seattle-based Pacific Trucking.

Lower levels of activity occurred in Trimac's midwestern United States operations due mainly to the expiration of a coal hauling contract and reduced cement volumes from the construction of the new airport in Denver.

Earnings before taxes of $1.0 million were below 1992 levels, principally because cost savings from the downsizing undertaken in the midwestern United States operations were not sufficient to compensate for the lower revenue. In addition, medical and workers' compensation costs were above 1992 levels.

DRILLING SERVICES

(thousands of dollars)		1993	1992	1991
Revenues	– Canada	**$102,621**	$ 49,486	$ 67,627
	– United States	**33,596**	27,791	20,285
	– Europe	**13,559**	14,296	14,656
		$149,776	$ 91,573	$102,568
Earnings before taxes	– Canada	**$ 15,328**	$ (1,551)	$ 4,027
	– United States	**307**	(84)	(738)
	– Europe	**2,415**	2,097	475
	– Corporate and International	**(1,091)**	(956)	(592)
		$ 16,959	$ (494)	$ 3,172

Canada

Revenues of $102.6 million more than doubled from $49.5 million in 1992. Higher prices for natural gas and a strong equity market that led to improved liquidity of Canadian oil and gas producers, were primarily responsible for the greatly increased levels of drilling activity. Sedco Drilling's revenue was $62.0 million compared to $27.0 million in 1992. Total drilling days in 1993 for Sedco were 6,932 compared to 3,240 in 1992. Revenue in Kenting Hi-Tower increased by 84.9% to $40.6 million. Drilling days in Kenting Hi-Tower were 3,827, up from 2,028 in 1992.

Pretax earnings in Sedco were $11.9 million in 1993 compared to $1.1 million in 1992. In addition to the substantially greater number of drilling days, Sedco's daily contribution margin also increased from 1992.

Kenting Hi-Tower's pretax earnings were $3.4 million in 1993, compared to a loss of $2.7 million in 1992. Earnings were positively affected by the higher activity and an improved daily contribution margin.

United States

Revenues of $33.6 million were up $5.8 million (20.9%) from 1992. Approximately $4.0 million of this increase is due to increased activity; the balance of $1.8 million is due to a lower $U.S. exchange rate for the Canadian dollar. Drilling days of 3,485 in 1993 were up 300 days over 1992 levels due principally to increased business from an alliance formed with Snyder Oil Corporation, a Fort Worth, Texas based oil and gas producer.

As a result of the increased activity, a profit of $307,000 was recorded in 1993 compared to a loss of $84,000 in 1992. Improvement in results from operations was offset to some extent by losses on the disposal of two surplus rigs.

Europe

Revenue of $13.6 million decreased by $737,000 from 1992. Drilling days were up from 947 in 1992 to 1,158, although revenue from other activities was down. Most of Kenting's European drilling operations occurred at Sellafield, U.K. and involved the provision of up to five rigs to provide geoscientific investigation.

Pretax earnings of $2.4 million increased from $2.1 million in 1992 due to slightly higher margins.

Truck Leasing and Rentals

(thousands of dollars)	1993	1992	1991
Revenues	**$83,968**	$65,938	$55,375
Earnings before taxes	**4,381**	2,057	905

Revenues of $84.0 million increased by $18.0 million (27.3%) from 1992. Much of this revenue increase is attributable to the March 1993 acquisition of Intercan's Quebec full service leasing assets, the January 1993 acquisition of Intercan's eastern Ontario full service leasing assets and the full year effect of the July 1992 acquisition of Intercan's southern Ontario full service leasing assets. Additionally, revenue growth occurred from increased commercial rental activity and from additional contract maintenance business obtained.

Earnings of $4.4 million increased by $2.3 million from 1992. In addition to revenue growth, earnings were positively affected by improved margins in the commercial rental business and increased resale gains from the end-of-term disposal of full service lease vehicles.

Environmental Services

a) TriWaste

(thousands of dollars)	1993	1992	1991
Revenues	**$10,293**	$ 1,745	N/A
(Loss) before taxes	**(4,666)**	(1,182)	N/A

Revenues of $10.3 million were up substantially from $1.7 million in 1992. Revenue growth occurred in all business segments as TriWaste began full operations in 1993. A loss before taxes of $4.7 million resulted from the expenditures required to build the infrastructure needed to support this start-up business.

b) BOVAR

(thousands of dollars)	1993	1992	1991
Revenues	**$50,396**	$48,786	$53,053
Earnings before taxes from continuing operations	**706**	773	1,844

Note: Trimac owned 58% of BOVAR during 1993. The above earnings numbers are before the provision of minority interest. Trimac has consolidated BOVAR's financial statements from September 30, 1992.

Revenues increased by $1.6 million (3.3%) to $50.4 million in 1993. Most of the revenue growth occurred as a result of increased sales in the Engineered Products division. Revenues from BOVAR's 60% interest in the Alberta Special Waste Treatment Centre ("ASWTC") of $24.0 million were down from $24.6 million in 1992. BOVAR's investment in the ASWTC earns a guaranteed return, based on the prime interest rate. The decline in interest rates in 1993 resulted in lower revenue to BOVAR.

Earnings before taxes from continuing operations of $706,000 was somewhat below the profit of $773,000 in 1992. The Engineered Products division reported a profit in the year compared to a loss in 1992, due to an increase in sales to $18.0 million from $16.4 million in 1992. Earnings from BOVAR's investment in the ASWTC were above 1992 levels due to a higher rate base, offset somewhat by lower interest rates. A loss was incurred in BOVAR Biomedical Services in its first year of operation as biomedical waste volumes were well below expectations because of delays in the anticipated closure of hospital incinerators. Losses in BOVAR's Environmental Services division were less than 1992, reflecting cost reduction measures undertaken in the year.

Associated Companies

a) Operations

Pretax earnings from Trimac's investments in associated companies were $10.4 million compared to $7.4 million in 1992.

Trimac's share of pretax earnings from 24.4% owned Banister Inc. was $4.1 million compared to $2.7 million in 1992. Banister's pretax earnings were positively affected by increased pipeline construction activity. Banister's tax rate increased in 1993 since previous years' losses have now been utilized.

Trimac recorded increased earnings from its 14.6% investment in Chauvco Resources Ltd. Chauvco's daily oil production averaged 19,689 barrels in 1993 compared to 18,144 barrels in 1992. Daily natural gas production was 55.0 million cubic feet in 1993 compared to 37.6 million cubic feet in 1992, due principally to increased production from its Argentinean properties and acquisitions in Canada.

Trimac recorded $353,000 in after-tax income from its 18.2% investment in Intera Information Technologies Corporation compared to a loss of $326,000 last year. Intera recorded increased earnings in its Petroleum Production Division and realized the benefits of a restructuring commenced in 1992.

Results in 25% owned Bantrel improved from 1992.

In October 1993, Trimac exchanged its 45% investment in privately held Alberta Petroleum Equipment Co. for a 15% interest in Taro Industries Limited, a public company listed on The Toronto Stock Exchange. Trimac's share of pretax earnings from its investment in Alpeco and Taro in 1993 of $499,000 increased from 1992 levels, reflecting improved levels of activity in the oil and gas industry.

b) Gains

In 1992, Trimac sold 2,000,000 shares of Chauvco, recognizing a pretax gain of $14.9 million. Also in 1992, a gain on dilution of $2.9 million was recognized as a result of a share issue by Chauvco in which Trimac participated at less than its pro-rata interest. These two items, on an after-tax basis, contributed $0.41 per share in earnings in 1992. There were no similar gains in 1993.

INTEREST EXPENSE

Interest expense on long-term debt of $12.2 million in 1993 was $0.2 million higher than 1992. Higher average debt levels throughout 1993, due mainly to the September 1992 consolidation of BOVAR and a large capital program in Rentway, resulted in $3.3 million of additional interest costs. This increase was largely offset by lower average interest rates in 1993.

INCOME TAX EXPENSE

Income tax expense of $8.5 million was at an effective rate of 23.4% in 1993 compared to an effective rate of 18.5% in 1992. Tax expense in each year was reduced by the application of previously unrecorded tax loss carryforwards which had the effect of reducing the income tax rate by 26.4 percentage points in 1993 and 24.4 percentage points in 1992. In addition, earnings in 1992 included gains on disposition, principally related to Chauvco, which were taxable at capital gains rates.

EARNINGS BEFORE DISCONTINUED BUSINESSES

Earnings before discontinued businesses were $27.7 million ($0.70 per share) compared to $27.2 million ($0.73 per share) in 1992.

DISCONTINUED BUSINESSES

The loss from discontinued businesses of $340,000 in 1993 relates to the carrying costs of property held for sale by BOVAR. In 1992, the loss from discontinued businesses of $0.4 million was comprised of $0.3 million, resulting from Trimac's share of additional losses incurred by Intera on the discontinuance of their meteorological and airborne geophysics business, $0.3 million in settlement costs related to litigation arising from an interest in U.S. oil and gas properties and $0.2 million in income from final settlement of contract costs on an oilfield construction project undertaken by a business which had previously been sold.

NET EARNINGS

Net earnings for the year were $27.4 million ($0.69 per share) compared to $26.8 million ($0.72 per share).

CAPITAL EXPENDITURES

Net capital expenditures in 1993 were $155.4 million compared to $77.0 million in 1992.

Net capital expenditures in Canadian transportation of $17.3 million increased from $11.6 million in 1992, due principally to the construction of a tote washing facility in Oakville, Ontario, the September 1993 acquisition of a competitor's chemical hauling business in Quebec, and additional rolling stock required to service new petroleum hauling business in Ontario.

Net capital expenditures in U.S. transportation were $22.8 million, substantially in excess of $11.7 million in 1992. Approximately $9.9 million was spent in 1993 on the construction of two new terminals required to service new business obtained from Rohm and Haas, a specialty chemical manufacturer. Also, $2.7 million was expended on the acquisition of Pacific Trucking Inc. in Seattle, Washington in July 1993.

Net capital expenditures in drilling services were $12.4 million compared to $1.9 million in 1992. The substantial increase in drilling activity necessitated the upgrading of equipment, including the acquisition of additional horizontal drilling capacity.

Net capital expenditures in Rentway were $48.9 million compared to $42.3 million in 1992. This increase resulted largely as a result of funding the additional business obtained from the acquisition of Intercan's full service leasing assets in 1992 and 1993.

Environmental services' net capital expenditures were $53.8 million compared to $9.4 million in 1992. BOVAR's net capital expenditures of $47.4 million were almost exclusively related to the construction of the large kiln at the ASWTC. The 1992 amount of $8.5 million, also principally related to the large kiln expansion, is only for the three month period from September 30, 1992, the date of consolidation of BOVAR, to December 31, 1992. Net capital expenditures in TriWaste were $6.5 million compared to $0.9 million in 1992. These capital expenditures relate to construction and expansion of TriWaste's transfer station and reprocessing facility network, as well as the purchase of two mobile facilities.

INVESTMENTS AND ACQUISITIONS

In June 1993, Trimac invested $5.4 million to purchase an additional 372,000 common shares of Banister. This investment was made pursuant to a share issue by Banister and enabled Trimac to maintain its 24% interest in Banister.

In June 1993, Kenting Drilling International invested $902,000 for a 25% interest in an Omani company with a local company owning the remaining 75%. The Omani company was awarded a four-year contract to supply a desert style drilling rig to a Shell Oil affiliate. In addition, letters of credit for $U.S.2.9 million were also issued by Kenting Drilling International to support its share of bank financing required by the Omani company for the construction of the rig.

In October 1993, Trimac sold its 45% interest in privately held Alpeco in exchange for approximately 15% of the outstanding common shares of publicly traded Taro. Trimac also appointed one director to Taro's six person board and, as a result of exercising significant influence, has accounted for its investment in Taro using the equity method. In January 1994, Taro issued 16,913,000 special warrants, convertible into a like number of common shares at a price of $1.10 each, of which Trimac agreed to purchase its pro-rata share for cash consideration of $3.0 million.

NET CAPITAL EXPENDITURES AND INVESTMENTS

(thousands of dollars)	Transportation Services	Drilling Services	Equipment Leasing	Environmental Services	Other	Total
Net capital expenditures	$ 40,063	$ 12,395	$ 48,944	$ 53,848	$ 109	$155,359
Investment in subsidiary and associated companies						
– Banister					5,431	5,431
– Omani drilling company		902				902
– Environmental Services				665		665
– Other					(840)	(840)
Total 1993	$ 40,063	$ 13,297	$ 48,944	$ 54,513	$ 4,700	$161,517
Total 1992	$ 23,273	$ 1,901	$ 42,322	$ 9,444	$ 20,609	$ 97,549
Total 1991	$ 16,572	$ 5,557	$ 28,007	$ 617	$ (18)	$ 50,735

FINANCIAL RESOURCES AND LIQUIDITY

Cash from operations in 1993 was $85.1 million, an increase of $29.0 million from 1992. Although earnings before discontinued businesses were only slightly higher in 1993 compared to 1992, earnings in 1992 included $17.8 million of pretax gains on disposal and dilution gains which were not sources of cash from operations.

On March 31, 1993, Trimac completed the issuance of 3,500,000 common shares for gross proceeds of $45.1 million. Net proceeds of the issue of $44.0 million were used to reduce long-term debt.

Effective September 30, 1993, Trimac redeemed, at par, its $3.6 million of outstanding first preferred shares, series A.

On January 31, 1994, BOVAR entered into an agreement with a group of underwriters to issue 12,500,000 special warrants at $1.38 per warrant. Each warrant will be exchangeable into one voting common share. Trimac did not participate in this issue and its ownership level in BOVAR will be diluted to 47.9%. Consequently, effective January 31, 1994, Trimac will cease to consolidate the financial statements of BOVAR and will use the equity method to account for its investment.

Reference is made to Note 15 of the financial statements for a summary pro-forma presentation of Trimac's financial position, results of operations and changes in financial position for 1993 and 1992, assuming that Trimac accounted for its investment in BOVAR using the equity method.

LONG-TERM DEBT

(thousands of dollars)	1993	1992	1991
Transportation Services	**$ 75,331**	$ 66,616	$ 57,739
Drilling Services	**7,569**	8,298	13,418
Truck Leasing	**88,108**	72,952	49,420
Environmental Services	**87,995**	43,022	1,100
Other	**—**	8,389	957
Less: Intercompany debt	**(37,500)**	(22,500)	—
Total	**$221,503**	$176,777	$122,634

Long-term debt at December 31, 1993, was $221.5 million compared to $176.8 million at December 31, 1992. This increase of $44.7 million is partly attributable to a large capital expenditure program in BOVAR related to the large kiln expansion, the acquisitions and significant capital expenditures at Rentway and the capital expenditures in Trimac's transportation businesses. These increases were offset to some extent by proceeds from Trimac's common share issue. The debt-to-equity ratio at December 31, 1993 was 0.80:1 compared to 0.84:1 at December 31, 1992.

In 1991, Trimac entered into three interest rate cap agreements. These agreements, covering approximately $51 million of notional principal amount for remaining terms of one to three years, provide relief to Trimac if the 90 day Bankers Acceptance rate rises above 11% in Canada and if the three month LIBOR rate rises above 9% in the United States.

Trimac's policy continues to be to use excess cash balances to reduce debt levels borrowed under operating or revolving lines of credit. Cash balances of $14.6 million at year end were comprised principally of amounts used to collateralize letters of credit and other amounts which had not yet been used to reduce debt levels. Availability of credit under long-term lines of credit was approximately $58.9 million at year end.

OUTLOOK

Trimac Transportation is anticipating a stronger year in 1994 due to market share gains realized in 1993, combined with the effects of improving economic activity in the U.S.

Results in the Kenting Energy group will be dependent to some extent on the prices for crude oil. However, we are anticipating continuing strong demand for drilling services in Canada due to higher natural gas prices.

Growth in equipment leasing is anticipated to continue although perhaps at a slower rate than in the past two years since currently no acquisitions are in process.

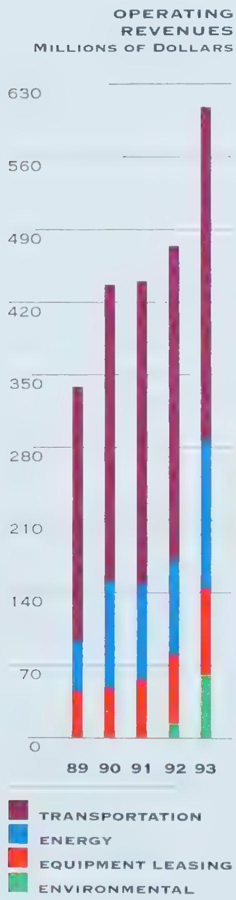
Trimac Limited's management group. From left: Bob Algar, Vice President, Human Resources; Jerry Jackson, Vice President, Finance and Chief Financial Officer and Steve Mulherin, Vice President, Corporate Development and Associated Companies.

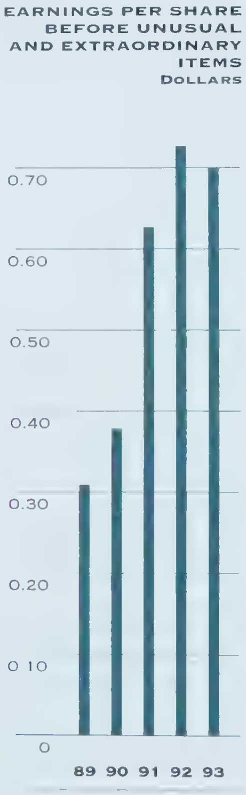
We are anticipating improved results in Environmental Services because:

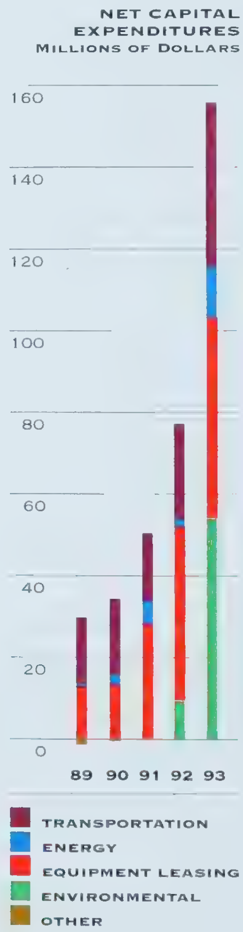
– the addition of the large kiln to the rate base, anticipated in mid-1994, will generate additional returns to BOVAR; and,

– losses from TriWaste are anticipated to lessen in 1994 as the infrastructure required for revenue generation is now in place. However, sustained profitability in this company is not likely until 1995.

Earnings from Trimac's associated companies' investments continue to be dependent upon the overall level of economic activity and commodity prices for oil and natural gas. Banister's ability to maintain its level of profitability is dependent in part upon obtaining additional pipeline construction work. Earnings at Chauvco Resources will depend on the prices it receives for its hydrocarbon production and its continued ability to enhance and bring on new production at economic prices.







CONSOLIDATED STATEMENT OF EARNINGS

(thousands of dollars except per share amounts)	Year ended December 31 1993	1992
REVENUES	**$618,803**	$476,055
OPERATING COSTS AND EXPENSES		
Direct	**422,490**	331,126
Selling and administrative	**91,750**	72,293
Depreciation and amortization	**64,390**	50,213
(Gain) on sale of fixed assets	**(2,514)**	(1,181)
	576,116	452,451
OPERATING EARNINGS	**42,687**	23,604
Associated companies – earnings (Note 5)	**10,437**	7,444
– gain on dilution of equity interest	—	2,901
– gain on disposal of shares	—	14,930
Interest expense – long-term debt	**(12,160)**	(11,975)
Interest income, net	**743**	1,326
General and administrative costs	**(5,440)**	(4,857)
EARNINGS BEFORE TAXES	**36,267**	33,373
Income tax expense (Note 3)	**(8,469)**	(6,162)
Minority interest	**(78)**	25
EARNINGS BEFORE DISCONTINUED BUSINESSES	**27,720**	27,236
Discontinued businesses (Note 4)	**(340)**	(413)
NET EARNINGS	**$ 27,380**	$ 26,823
EARNINGS PER SHARE		
Before discontinued businesses	**$ 0.70**	$ 0.73
Net earnings	**0.69**	0.72

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(thousands of dollars)	Year ended December 31 1993	1992
RETAINED EARNINGS, BEGINNING OF YEAR, as previously reported	**$104,176**	$ 88,352
Adjustment due to recognition of previously reported contingent liability (Note 2)	—	(9,249)
Adjustment due to settlement of tax reassessment (Note 2)	—	2,977
RETAINED EARNINGS, BEGINNING OF YEAR, as restated	**104,176**	82,080
Net earnings	**27,380**	26,823
Dividends		
Common shares	**(4,418)**	(4,396)
Preferred shares	**(240)**	(331)
RETAINED EARNINGS, END OF YEAR	**$126,898**	$104,176

CONSOLIDATED BALANCE SHEET

(thousands of dollars)	December 31 1993	1992
ASSETS		
CURRENT ASSETS		
Cash and term deposits	**$ 14,558**	$ 10,143
Accounts receivable	**113,156**	103,579
Materials and supplies	**8,935**	7,605
Prepaid expenses	**16,783**	17,359
	153,432	138,686
INVESTMENTS AND ADVANCES		
Investments in and advances to associated companies (Note 5)	**71,483**	58,963
Notes receivable and other (Notes 6 and 7)	**12,756**	11,815
	84,239	70,778
FIXED ASSETS (Note 8)	**408,704**	310,582
GOODWILL AND AUTHORITIES	**10,838**	10,959
	$657,213	$531,005
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank advances, secured (Note 9)	**$ 22,047**	$ 25,788
Accounts payable and accrued liabilities	**110,275**	96,540
Income taxes payable	**1,774**	518
Current maturities of long-term debt (Note 10)	**11,880**	11,072
	145,976	133,918
LONG-TERM DEBT (Note 10)	**221,503**	176,777
DEFERRED INCOME TAXES	**9,956**	7,954
MINORITY INTEREST (Note 15)	**1,854**	1,302
SHAREHOLDERS' EQUITY		
Share capital (Note 11)		
Preferred	**—**	3,612
Common	**150,591**	104,647
	150,591	108,259
Cumulative translation adjustment	**435**	(1,381)
Retained earnings (Note 2)	**126,898**	104,176
	277,924	211,054
CONTINGENCIES AND COMMITMENTS (Note 14)		
	$657,213	$531,005

Approved by the Board:

J.R. McCaig, Director

J.J. McCaig, Director

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(thousands of dollars)	Year ended December 31 1993	1992
CASH PROVIDED (USED)		
OPERATIONS		
Earnings before discontinued businesses	$ 27,720	$ 27,236
Depreciation and amortization	64,390	50,213
(Gain) on sale of fixed assets	(2,514)	(1,181)
Deferred income taxes	2,769	2,714
Associated companies		
– net earnings	(7,405)	(5,068)
– gain on dilution of equity interest	—	(2,901)
– gain on disposal of shares	—	(14,930)
Other non-cash items	93	(44)
Cash from operations	85,053	56,039
Discontinued businesses	(586)	185
Net cash flow	84,467	56,224
INVESTMENTS		
Purchase of fixed assets	(187,162)	(94,744)
Proceeds on sale of fixed assets	31,803	17,770
Net capital expenditures	(155,359)	(76,974)
Proceeds on sale of shares of associated companies	—	28,208
Investment in subsidiary and associated companies	(6,158)	(20,575)
Collection of mortgage receivable	15,000	—
Net change in non-cash working capital balances	(10,385)	(1,134)
Cash from prior period adjustment	—	3,537
Other	(589)	(2,082)
Cash used for investments	(157,491)	(69,020)
FINANCING		
Increase in long-term debt	88,850	33,572
Repayments of long-term debt	(44,500)	(22,915)
	44,350	10,657
Increase in common share capital	45,084	733
Net change in working capital loans	(3,725)	7,382
Dividend paid on common shares	(4,418)	(4,396)
Preferred share dividends and redemptions	(3,852)	(494)
Cash provided by financing	77,439	13,882
Net increase in cash	4,415	1,086
Cash, beginning of year	10,143	9,057
CASH, END OF YEAR	$ 14,558	$ 10,143

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of Trimac Limited ("the Corporation") and its subsidiaries (collectively "Trimac"). All of the subsidiaries, with the exception of BOVAR Inc. ("BOVAR"), in which the Corporation has a 58% interest, are wholly owned.

Investments in associated companies are accounted for by the equity method. Under the equity method, the cost of the investment, including goodwill at acquisition, is adjusted for Trimac's share of undistributed earnings or losses, goodwill amortization and capital transactions.

Goodwill and authorities

Goodwill and authorities are being amortized on a straight line basis primarily over periods of up to 10 years.

Income from contracts

Income from contracts is recorded by the percentage-of-completion method of accounting. Any anticipated losses are provided for in their entirety.

Fixed assets

Depreciation is provided at rates which will amortize costs to estimated residual values, over the assets' estimated useful lives, mainly as follows:

Asset	Depreciation method	Estimated useful life (years)
Land drilling rigs	Straight line (residual – 0% to 25%)	15
Highway tractors	Varying percentages of original cost (residual – 5%)	7
Highway trailers	Straight line (residual – 4%)	7 - 10
Rental vehicles	Varying percentages of original cost	3
Lease vehicles	Varying percentages of original cost	3 - 5
Plant and equipment	Straight line	10
Buildings and other	Various	4 - 25

Interest and other costs are capitalized with respect to assets under construction. Costs capitalized in 1993 were $2,735,000 (1992 – $957,000).

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

a) **Settlement of tax reassessment**

During 1992, a refund of taxes and related interest of $3,841,000 was received as a result of the settlement of a tax reassessment of a subsidiary affecting 1988 and prior fiscal years. As a result the December 31, 1991 financial position was restated as follows: retained earnings were increased by $2,977,000, deferred taxes were increased by $560,000, accounts payable were reduced by $142,000 and accounts receivable increased by $3,395,000.

b) **Recognition of previously reported contingent liability**

During 1992, a decision was rendered with respect to the litigation commenced by Donald K. Jackson, a former officer and director of Trimac Limited. Amounts awarded, plus interest to December 31, 1992 were $8,254,000 in excess of amounts previously provided by the Corporation. No tax benefit was recognized. The Corporation has appealed this decision, although, the results of the appeal cannot be reasonably estimated. Any adjustment as a result of the appeal will also be treated as a prior period adjustment. At December 31, 1991 retained earnings were decreased by $9,249,000, deferred taxes were increased by $995,000 and accounts payable were increased by $8,254,000.

NOTE 3 – INCOME TAXES

The income tax provision is comprised of the following:

(thousands of dollars)	1993	1992
Current	**$2,668**	$1,072
Deferred	**2,769**	2,714
Associated companies	**3,032**	2,376
	$8,469	$6,162

The provision varies from what would otherwise be expected, for the reasons set out below:

(thousands of dollars)	1993		1992	
	Amount	**Per cent of earnings before taxes**	**Amount**	**Per cent of earnings before taxes**
Computed "expected" tax	**$16,030**	**44.2**	$14,750	44.2
Recognition of previously unrecorded tax loss benefits	**(9,587)**	**(26.4)**	(8,141)	(24.4)
Loss for which no tax benefit has been recognized	**2,380**	**6.6**	1,297	3.9
Rate differences on gains on sale of capital property	—	—	(881)	(2.6)
Other	**(354)**	**(1.0)**	(863)	(2.6)
	$ 8,469	**23.4**	$ 6,162	18.5

Loss carryforwards in the United States for which no benefits have been recorded total $U.S.53,129,000 at December 31, 1993. These losses expire as follows: 1998 – $35,723,000; 1999 – $12,190,000; 2000 – $472,000; 2002 – $1,702,000; 2004 – $3,042,000.

During 1989, Trimac Limited acquired two contract drilling businesses. One of the assets acquired related to $142,504,000 of losses and tax costs in excess of book costs carried forward for income tax purposes. The value attributed to this asset was $18,000,000. During 1993, $25,863,000 (1992 – $19,806,000) of these losses and costs were claimed for accounting purposes. The related benefit of $11,638,000 (1992 – $8,913,000) was recognized by reducing the deferred income tax liability account by $3,258,000 (1992 – $2,496,000) and by reducing the income tax provision by $8,380,000 (1992 – $6,417,000).

Such losses and costs claimed for income tax purposes amounted to $18,731,000 in 1993 (1992 – $21,592,000) and the unclaimed balances amounted to $46,491,000 at December 31, 1993. The portion applicable to losses carried forward ($43,554,000) expires as follows:

1996	$41,473,000
1997	$ 2,081,000

The availability of such costs and tax loss carryforwards to Trimac is dependent upon several factors, including the ability of Trimac to generate sufficient taxable income in the carryforward period and ultimate acceptance of this availability by the taxing authorities. Management is of the opinion that such costs and losses will ultimately be available to Trimac, and the remaining estimated value attributed to such asset of $4,643,000 and the benefits recognized as income of $8,380,000 in 1993, (cumulative – $31,430,000) will be realized.

In addition, BOVAR has deductible amounts for Canadian income tax purposes in excess of the related accounting values in the amount of $39,000,000. No benefit has been recorded.

NOTE 4 – DISCONTINUED BUSINESSES

(thousands of dollars)	1993		1992	
	Pretax	After-tax	Pretax	After-tax
Carrying costs of property held for sale by BOVAR Inc.	$ (340)	$ (340)	$ —	$ —
Kenting Projects Limited	—	—	351	208
Airborne surveys	—	—	(42)	(42)
U.S. Oil and Gas	—	—	(264)	(264)
Intera Information Technologies – Airborne geophysical operations	—	—	(315)	(315)
	$ (340)	$ (340)	$ (270)	$ (413)

NOTE 5 – ASSOCIATED COMPANIES

The Corporation's share of earnings from its investment in associated companies was as follows:

(thousands of dollars)	1993			1992		
	Pretax earnings	Net earnings	Carrying value	Pretax earnings	Net earnings	Carrying value
Chauvco Resources Ltd.	$ 4,945	$ 4,130	$34,935	$ 5,380	$ 3,798	$30,177
Banister Inc.	4,068	2,453	23,636	2,671	1,818	16,161
Intera Information Technologies Corporation	597	353	8,151	(163)	(326)	8,060
Bantrel Inc.	328	181	897	46	22	841
Taro Industries Limited (a)	95	95	2,951	—	—	—
Alberta Petroleum Equipment Co. (a)	404	193	—	(448)	(202)	3,713
Muscat Overseas Oil & Gas Drilling Co.	—	—	902	—	—	—
Other	—	—	11	(42)	(42)	11
	$10,437	$ 7,405	$71,483	$ 7,444	$ 5,068	$58,963

a) On October 6, 1993 the Corporation sold its investment in Alberta Petroleum Equipment Co. ("ALPECO") in exchange for 4,061,990 common shares of Taro Industries Limited ("Taro"), a public company traded on the Toronto Stock Exchange. No gain or loss was recorded on the disposition of ALPECO. The Corporation also acquired 1,842,909 warrants, at a price of $0.72 per warrant, each of which may be exercised at any time prior to June 30, 1994 to acquire one common share of Taro. If the Corporation exercises all of its warrants it will hold approximately 15.2% of Taro's common shares.

NOTE 6 – NOTES RECEIVABLE

Included in notes receivable and other is $3,420,000 (1992 – $3,420,000) of interest-free loans to employees made under the terms of an executive incentive plan. This plan provides for the advance of an interest-free loan to each of the participants under the plan to be used for the purchase of Class "A" Preferred shares and common shares of Revest Holdings Inc., which holds 985,221 common shares of the Corporation. At termination of the plan (November 9, 1994 or within six months after that date) the Corporation will exchange its common shares for all of the Revest common shares currently held by employees. The number of shares issued will be determined by the value of Revest Holdings upon termination. Had the plan terminated at December 31, 1993, and the participants been fully vested, 637,094 common shares would have been issued to participants of the plan and 985,221 common shares of the Corporation would have been cancelled.

NOTE 7 – ADVANCE TO COMPUTALOG

Under the terms of a November 1992 loan agreement with Computalog Ltd., a publicly traded company in the business of electric wire line logging and directional drilling services, the Corporation has agreed to advance up to $6,000,000 to Computalog. These advances are non revolving and bear interest at 10% on the first $3,000,000 and 12-1/2% on the balance. The first $3,000,000 outstanding is due December 22, 1995 and any remaining balance is due December 22, 1996. The Corporation also received warrants to purchase 8,000,000 common shares of Computalog at $0.50 per share which expire in 1997. If exercised at December 31, 1993, this would represent approximately 18% of Computalog's common shares. As at December 31, 1993, $4,000,000 had been advanced under this facility and is included in notes receivable and other. On February 9, 1994, $1,000,000 of this advance was repaid.

NOTE 8 – FIXED ASSETS

The cost of fixed assets and net book value by major classification is as follows:

(thousands of dollars)	1993		1992	
	Cost	**Net book value**	**Cost**	**Net book value**
Equipment				
Highway transportation equipment	**$209,428**	**$ 88,953**	$193,019	$ 81,366
Drilling rigs and related equipment	**135,707**	**34,481**	127,807	27,104
Lease and rental vehicles	**150,826**	**108,914**	122,057	83,968
Plant and equipment	**116,742**	**92,760**	70,845	52,703
Other	**54,283**	**23,845**	41,716	16,506
	666,986	**348,953**	555,444	261,647
Land, buildings and yard improvements	**79,143**	**59,751**	64,963	48,935
	$746,129	**$408,704**	$620,407	$310,582

NOTE 9 – BANK ADVANCES

Bank advances are secured primarily by accounts receivable at rates ranging generally from prime to prime plus 3/4%, with other rate options.

NOTE 10 – LONG-TERM DEBT

Details of long-term debt, including aggregate annual repayments required over the next five years, are as follows:

(thousands of dollars)	1993		1992	
	Long-term	**Current**	**Long-term**	**Current**
Transportation				
Canada (a)	**$ 17,379**	**$ 480**	$ 34,199	$ 385
U.S. (b)	**26,452**	**670**	19,917	239
	43,831	**1,150**	54,116	624
Leasing (c)	**82,108**	—	62,952	—
Drilling (d)	**7,569**	—	8,298	973
Environmental (e)	**87,995**	**10,730**	43,022	8,847
Other (f)	—	—	8,389	628
TOTAL	**$221,503**	**$ 11,880**	$176,777	$ 11,072

a) The loans are secured by certain highway transportation equipment and certain real estate properties under floating charge debentures. Interest rates are floating at Canadian prime plus 1/4% - 1/2% with alternative rate options. The amounts outstanding are mainly revolving and may be terminated by defined notice. On termination, the loans are repayable over eight years commencing in 1994.

b) The loans include revolving loans and are secured by certain highway transportation equipment and certain real estate properties. Interest rates are floating and range from U.S. base to U.S. base plus 1/2% with alternate rate options. The revolving loans may be terminated by defined notice. On termination, the loans are repayable over six years.

c) The loans are secured by certain lease and rental vehicles. Interest rates are fixed and floating. Fixed rates range from 5% to 14% and floating rates range from Canadian prime to prime plus 1%. The amounts outstanding are revolving and may be terminated by defined notice. On termination, the loans are repayable over periods of up to five years.

d) The loans are secured mainly by drilling rigs and related receivables. Interest rates are floating and are 1/4% over Canadian Prime; 1.3% over U.S. LIBOR; and 3/4% over U.K. LIBOR or Base Rate. The loans are repayable over periods of up to four years.

e) The loans are secured by an assignment of interest in the related project facilities and a floating charge debenture on the assets of BOVAR. Interest rates are mainly floating at Canadian prime plus 1%.

f) The loan was secured by a mortgage receivable which was repaid during 1993.

g) Repayments – aggregate amounts of long-term debt repayable in the years ending December 31 are:

1994	$ 11,880,000
1995	$ 15,803,000
1996	$ 21,393,000
1997	$ 19,280,000
1998	$ 40,666,000
Thereafter	$124,361,000

h) Certain of Trimac's long-term debt is payable in foreign currencies. The Canadian dollar equivalent of this debt (long-term and current portion) is as follows: payable in U.S. dollars – $33,093,000 and payable in U.K. pounds sterling – $2,935,000.

NOTE 11 – SHARE CAPITAL

	Issued	
	Number	**Amount**
PREFERRED SHARES		(thousands of dollars)
First Preferred Shares of a stated value of $25 each (authorized 320,000 shares) – 9.12% Cumulative Redeemable First Preferred Shares, Series A		
Issued as at December 31, 1992	144,500	$ 3,612
Purchased for cancellation	(5,600)	(140)
Redeemed by the Corporation (a)	(138,900)	(3,472)
Issued as at December 31, 1993	—	$ —

The Corporation has authorized 50,000,000 Class A Preferred Shares, 50,000,000 Floating Rate Cumulative Redeemable Retractable Class B Preferred Shares and 113,500 Redeemable Retractable Convertible Second Preferred Shares. None of these shares were issued as at December 31, 1993 and December 31, 1992.

a) On September 30, 1993 the Corporation redeemed all of its outstanding 9.12% Cumulative Redeemable First Preferred Shares, Series A, at a redemption price of $25.00 per share.

	Issued Number	Amount
COMMON SHARES		(thousands of dollars)
Common shares without nominal or par value (authorized 100,000,000 shares) –		
Issued as at December 31, 1992	36,683,190	$104,647
Shares issued on public offering (b)	3,500,000	43,958
Stock options exercised	344,300	1,986
Issued as at December 31, 1993	40,527,490	$150,591

COMMON SHARES RESERVED

At December 31, 1993 the following common shares were reserved for options granted to officers and employees:

Date granted	Expiry date	Price per share	Number of shares
November 9, 1989	November 9, 1994	4.80	19,000
January 18, 1990	January 18, 1995	6.75	14,000
August 10, 1990	August 10, 1995	7.62	20,000
November 1, 1990	November 1, 1995	6.62	299,700
March 7, 1991	March 7, 1996	7.62	6,000
November 7, 1991	November 7, 1996	9.12	14,500
March 5, 1992	March 5, 1997	8.62	46,500
March 4, 1993	March 4, 1998	13.25	464,800
			884,500

b) On March 31, 1993 the Corporation completed a public offering of 3,500,000 common shares. The net proceeds of the issue ($43,958,000 after deducting all expenses net of a deferred tax recovery of $860,000) were used to reduce long-term debt and bank advances.

NOTE 12 – SEGMENTED INFORMATION

Trimac conducts its business through wholly-owned subsidiaries and associated companies. The subsidiaries' operations are in four business segments: transportation services which is the highway transportation of bulk commodities; drilling services; truck leasing and rentals; and environmental services. The associated companies' operations include engineering and construction (engineering), oil and gas exploration and production (oil and gas) and other operations of technology service and oilfield equipment service and supply.

By Industry segment

(thousands of dollars)	Operating revenues (a)	Earnings before taxes	Depreciation and amortization (a)	Capital expenditures (a)	Identifiable assets (b)
1993					
Subsidiaries:					
Transportation services	$324,246	$ 17,713	$ 23,717	$ 43,847	$202,373
Drilling services	149,776	17,512	5,522	13,830	90,635
Truck leasing	83,968	10,588	25,696	74,925	131,359
Environmental services	60,813	(1,681)	8,719	54,446	151,415
Other	—	(1,445)	736	114	9,948
	618,803	42,687	64,390	187,162	585,730
Associated companies:					
Engineering		4,396			24,533
Oil and gas		4,945			34,935
Other		1,096			12,015
	—	10,437	—	—	71,483
	618,803	53,124	64,390	187,162	657,213
General and administrative costs	—	(5,440)	—	—	—
Interest	—	(11,417)	—	—	—
	$618,803	$ 36,267	$ 64,390	$187,162	$657,213

By Industry segment

(thousands of dollars)	Operating revenues (a)	Earnings before taxes	Depreciation and amortization (a)	Capital expenditures (a)	Identifiable assets (b)
1992					
Subsidiaries:					
Transportation services	$304,239	$ 17,277	$ 21,748	$ 28,542	$180,021
Drilling services	91,573	216	5,785	2,267	61,232
Truck leasing	65,938	7,566	20,184	53,158	105,234
Environmental services	14,305	(367)	1,969	10,743	101,141
Other	—	(1,088)	527	34	24,414
	476,055	23,604	50,213	94,744	472,042
Associated companies:					
Engineering		2,717			17,002
Oil and gas					
– earnings		5,380			30,177
– gain on dilution of equity interest		2,876			—
– gain on disposal of shares		14,930			—
Other		(628)			11,784
	—	25,275	—	—	58,963
	476,055	48,879	50,213	94,744	531,005
General and administrative costs	—	(4,857)	—	—	—
Interest	—	(10,649)	—	—	—
	$476,055	$ 33,373	$ 50,213	$ 94,744	$531,005

By Geographic area

	Year ended December 31, 1993			Year ended December 31, 1992		
(thousands of dollars)	Operating revenues	Earnings before taxes	Identifiable assets	Operating revenues	Earnings before taxes	Identifiable assets
Canada	$424,545	$ 31,744	$452,783	$310,071	$ 13,549	$365,388
United States	173,462	3,430	107,656	149,371	4,419	83,636
Other	20,796	2,073	25,291	16,613	779	23,018
	618,803	37,247	585,730	476,055	18,747	472,042
Associated companies	—	10,437	71,483	—	25,275	58,963
Interest	—	(11,417)	—	—	(10,649)	—
	$618,803	$ 36,267	$657,213	$476,055	$ 33,373	$531,005

a) Associated companies' results are not consolidated; therefore these items are not applicable.

b) Represents Trimac's carrying value of associated companies.

NOTE 13 – JOINT VENTURE

As a result of the 1992 acquisition of BOVAR the Corporation has a 60% interest in the Alberta Special Waste Management System joint venture which interest is reflected as follows:

(thousands of dollars)	1993	1992
Assets	**$98,030**	$58,245
Liabilities	**19,857**	22,345
Revenue	**23,891**	6,414
Expenses	**18,934**	4,852
Net income	**4,957**	1,562

The joint venture agreement may be terminated by either of the venturers under certain circumstances. In the event of termination, the Corporation would, at a minimum, be reimbursed its net investment in the joint venture.

NOTE 14 – CONTINGENCIES AND COMMITMENTS

a) As at December 31, 1993, Trimac had lease commitments totalling $26,995,000. Required annual payments are as follows:

1994	$9,661,000
1995	$7,125,000
1996	$4,967,000
1997	$3,130,000
1998	$1,828,000
Thereafter	$ 284,000

b) The Corporation is involved in various legal actions which have occurred in the ordinary course of business. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

c) See Income Taxes (Note 3).

NOTE 15 – SUBSEQUENT EVENTS

On January 21, 1994 BOVAR acquired the shares of Concord Corporation for total consideration of $3,250,000. Part of the purchase price included the issue by BOVAR of 1,739,130 common shares.

On January 31, 1994 BOVAR entered into an agreement with a group of underwriters to issue 12,500,000 special warrants at $1.38 per warrant. Each warrant will be exchangeable into one Voting Common Share. The Corporation will not participate in this issue and consequently its ownership interest will decline from approximately 58% to 48%. As a result, the Corporation will no longer consolidate the results of BOVAR and the equity method of accounting will be used effective January 31, 1994. Had the Corporation accounted for its investment in BOVAR using the equity method in its 1993 and 1992 financial statements, the financial position and its results of operations and statement of changes in financial position would have been as follows:

	Consolidated Balance Sheet			
(thousands of dollars)	December 31, 1993		December 31, 1992	
	As Reported	**Pro-forma**	**As Reported**	**Pro-forma**
Current assets	$153,432	$129,731	$138,686	$114,717
Investment in associated companies	71,483	83,748	58,963	72,402
Net book value of fixed assets	408,704	305,217	310,582	246,550
Other assets	23,594	18,696	22,774	18,300
	$657,213	$537,392	$531,005	$451,969
Current liabilities	$145,976	$114,877	$133,918	$ 99,206
Long-term debt	221,503	134,113	176,777	133,755
Deferred tax	9,956	9,956	7,954	7,954
Minority interest	1,854	522	1,302	—
Shareholders' equity	277,924	277,924	211,054	211,054
	$657,213	$537,392	$531,005	$451,969
	Consolidated Statement of Earnings			
Revenues	$618,803	$568,283	$476,055	$463,495
Operating earnings	42,687	38,845	23,604	22,701
Earnings before taxes	36,267	35,970	33,373	33,398
Earnings before discontinued businesses	27,720	27,720	27,236	27,236
Net earnings	27,380	27,380	26,823	26,823
	Consolidated Statement of Changes in Financial Position			
Cash from operations	$ 85,053	$ 78,435	$ 56,039	$ 54,576
Net capital expenditures	155,359	108,006	76,974	68,435
Net change in long-term debt	44,350	(1,783)	10,657	9,470

AUDITORS' REPORT

To the Shareholders of
TRIMAC LIMITED:

We have audited the consolidated balance sheets of Trimac Limited as at December 31, 1993 and 1992 and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Price Waterhouse

Chartered Accountants

Calgary, Alberta
February 11, 1994

(thousands of dollars, except per share amounts)	Year Ended December 31 1993	1992	1991	1990	1989
OPERATIONS					
Revenues	**$618,803**	$476,055	$449,047	$445,057	$338,635
Depreciation and amortization	**64,390**	50,213	43,939	38,612	35,308
Interest – long-term debt	**12,160**	11,975	13,636	18,581	21,112
Earnings before taxes	**36,267**	33,373	29,158	19,004	21,469
Earnings before unusual and extraordinary items	**27,720**	27,236	23,265	14,441	12,213
Per common share	**0.70**	0.73	0.63	0.38	0.31
Net earnings	**27,380**	26,823	22,715	13,188	44,699
Per common share	**0.69**	0.72	0.61	0.34	1.38
Cash from operations	**85,053**	56,039	48,576	47,544	38,228
Net capital investments:					
Fixed assets	**155,359**	76,974	50,325	33,863	28,255
Acquisitions/investments	**6,158**	20,575	410	56,957	42,417
FINANCIAL POSITION					
Working capital	**7,456**	4,768	3,413	12,778	62,594
Fixed assets, net book value	**408,704**	310,582	219,383	208,713	182,489
Long-term debt	**221,503**	176,777	122,634	139,481	111,817
Convertible debenture	**—**	—	—	—	30,000
Shareholders' equity – preferred	**—**	3,612	3,775	4,095	30,235
– common	**277,924**	207,442	181,343	161,545	126,429
– total	**277,924**	211,054	185,118	165,640	156,664
QUARTERLY RESULTS (unaudited)					
Revenues					
First quarter	**142,395**	103,466	121,089	103,784	76,616
Second quarter	**141,746**	108,214	105,461	103,673	83,093
Third quarter	**161,935**	123,597	114,812	118,294	91,781
Fourth quarter	**172,727**	140,778	107,685	119,306	87,145
	618,803	476,055	449,047	445,057	338,635
Earnings before unusual and extraordinary items					
First quarter	**2,925**	340	1,829	1,817	104
Second quarter	**3,900**	2,223	14,739	930	3,137
Third quarter	**9,788**	19,363	4,627	4,785	4,101
Fourth quarter	**11,107**	5,310	2,070	6,909	4,871
	27,720	27,236	23,265	14,441	12,213
Earnings (loss) per common share before unusual and extraordinary items					
First quarter	**0.07**	0.01	0.05	0.04	(0.02)
Second quarter	**0.10**	0.06	0.40	0.00	0.08
Third quarter	**0.24**	0.52	0.13	0.14	0.11
Fourth quarter	**0.29**	0.14	0.05	0.20	0.14
	0.70	0.73	0.63	0.38	0.31

Directors

	Director Since
J.R. McCaig, Calgary Chairman and Chief Executive Officer Trimac Limited	1970
M.W. McCaig, Victoria [illegible] Mo-Mac Investments Ltd.	[illegible]
M. Dubinsky, Q.C., Calgary President [illegible] Consultants Limited	1971
A. Vanden Brink, Calgary President Tokay Resources Ltd.	1976
D.D.C. McGeachy, London Company Director	[illegible]
R.T. Eyton, Calgary Chairman and Chief Executive Officer PWA Corporation Ltd.	[illegible]
H.A. Hampson, Toronto Company Director	[illegible]
H.E. Wyatt, Calgary Company Director	[illegible]
D.K. Seaman, Calgary Chairman Dox Investments Inc.	[illegible]
J.J. McCaig, Calgary President and Chief Operating Officer Trimac Limited	[illegible]
J.M. MacLeod, Calgary Company Director	[illegible]

Officers

J.R. McCaig, Chairman and
Chief Executive Officer

J.J. McCaig, President and
Chief Operating Officer

R.D. Algar, Vice President
Human Resources

A.E. Dumont, Vice President and
President, Kenting Energy Services

T.J. Jackson, Vice President Finance and
Chief Financial Officer

S.W.C. Mulherin, Vice President
Corporate Development and
Associated Companies

J.A. Parker, Assistant Secretary

A.B. Zaleski, Vice President and
President, Trimac Transportation

Auditors

Price Waterhouse, Calgary, Alberta

Transfer Agents

R-M Trust Company
– Common Shares

Montreal Trust Company of Canada
– 9.12% First Preferred Shares, Series A

Stock Exchange Listings

The Toronto and Montreal Stock Exchanges

Transportation Services

Bulk Highway Transportation

Trimac Transportation System
A.B. Zaleski, President
2100, 800 5 Avenue SW
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5146

Canada

A.W. Piché, Vice President
Western Division
700, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

Operations: British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories

Bulk Systems Management Ltd.
G.E.D. Lloyd, President and General Manager
202, 4240 Manor Street
Burnaby, British Columbia V5G 1B2
Telephone: (604) 430-3445
Facsimile: (604) 430-1368

Operations: British Columbia, Alberta, Ontario, Washington

E.J. Rivait, Vice President
Eastern Division
2284 Wyecroft Road
Oakville, Ontario L6L 5N2
Telephone: (905) 827-9800
Facsimile: (905) 827-8038

Operations: Ontario, Quebec

United States

Trimac Transportation, Inc.
B. Higgins, Vice President
Eastern Division
c/o Liquid Transporters, Inc.

Liquid Transporters, Inc.
1292 Fern Valley Road 40219
P.O. Box 36247 (mail)
Louisville, Kentucky 40233
Telephone: (502) 964-3351
Facsimile: (502) 964-8539

Operations: Illinois, Kentucky, Louisiana, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas

Trimac Bulk Transportation, Inc.
1292 Fern Valley Road 40219
P.O. Box 36247 (mail)
Louisville, Kentucky 40233
Telephone: (502) 964-3351
Facsimile: (502) 964-8539

Operations: Alabama, Louisiana

C. Elsey, Vice President
Western Division
c/o Universal Transport Inc.
Longmont, Colorado branch
Telephone: (303) 651-6446
Facsimile: (303) 682-0359

Universal Transport Inc.
3600 Universal Drive 57702
P.O. Box 3000 (mail)
Rapid City, South Dakota 57709
Telephone: (605) 348-1071
Facsimile: (605) 341-0649

Operations: Colorado, Nebraska, Nevada, South Dakota, Utah, Wyoming

Quality Service Tank Lines, Inc.
13550 Toepperwein Road
San Antonio, Texas 78233-4036
Telephone: (210) 654-1666
Facsimile: (210) 654-1139

Operations: Texas

Trimac Transportation Services (Western), Inc.
3453 Enterprise Avenue
Hayward, California 94545
Telephone: (510) 732-7876
Facsimile: (510) 732-0442

Operations: Washington, California, Oregon

Transportation Consulting

Trimac Consulting Services
L.L. Ash, General Manager
700, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

Drilling Services

Kenting Energy Services
A.E. Dumont, President
2100, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5258

Telex: 03-825633 (International)

Operating Companies

Kenting Hi-Tower Drilling
G.G. Meier, Vice President and General Manager
1610, 300 5 Avenue SW
P.O. Box 6650, Station D (mail)
Calgary, Alberta T2P 2V8
Telephone: (403) 221-8800
Facsimile: (403) 221-8845

Operations: British Columbia, Alberta, Saskatchewan, Yukon

Sedco Drilling
H.W. Strain, Vice President and General Manager
1600, 300 5 Avenue SW
P.O. Box 6680, Station D (mail)
Calgary, Alberta T2P 2V8
Telephone: (403) 221-8822
Facsimile: (403) 221-8821

Operations: British Columbia, Alberta, Saskatchewan

Kenting Apollo Drilling Inc.
J. Jacobsen, Vice President and General Manager
3300, 999 - 18 Street
Denver, Colorado 80202-2433
Telephone: (303) 298-1383
Facsimile: (303) 297-1181

Operations: Colorado, Montana, North Dakota, Wyoming

Kenting Drilling Services Ltd.
A.J. Beswick, Managing Director
Trent Lane, Castle Donington
Derby, DE7 2NP England
United Kingdom
Telephone: 44-332-850060
Facsimile: 44-332-850553

Operations: The Netherlands, Denmark, United Kingdom

Truck Leasing and Rentals

Rentway Inc.
R.W. Waye, President
1000, 185 The West Mall
Etobicoke, Ontario M9C 5L5
Telephone: (905) 626-7922
Facsimile: (905) 626-5177

Operations: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Michigan,Ohio

Environmental Services

TriWaste Reduction Services Inc.
D.E.G. Bromley, President
1700, 800 5 Avenue SW
Calgary, Alberta T2P 3T6
Telephone: (403) 234-3240
Facsimile: (403) 261-6737

Operations: Alberta, British Columbia, Ontario

BOVAR Inc.
P.S. Fee, President & C.E.O.
4 Manning Close NE
Calgary, Alberta T2E 7N5
Telephone: (403) 235-8300
Facsimile: (403) 248-3306

Operations: Alberta, British Columbia, Texas, Germany, Poland, Malaysia

Associated Companies

Engineering and Construction

Banister Inc.
E.R. Austin, President & C.E.O.
3660 Midland Avenue
Scarborough, Ontario M1V 4V3
Telephone: (416) 754-8735
Facsimile: (416) 754-8736

Bantrel Inc.
P.J. Lovell, President & C.E.O.
900, 703 6 Avenue SW
P.O. Box 1990, Station M (mail)
Calgary, Alberta T2P 2M2
Telephone: (403) 290-5000
Facsimile: (403) 290-5050

Oil and Gas

Chauvco Resources Ltd.
G.J. Turcotte, Chairman & C.E.O.
2900, 255 5 Avenue SW
Calgary, Alberta T2P 3G6
Telephone: (403) 231-3100
Facsimile: (403) 269-9497

Information Technology

Intera Information Technologies Corporation
B.L. Bullock, President & C.E.O.
1000, 645 7 Avenue SW
Calgary, Alberta T2P 4G8
Telephone: (403) 266-0900
Facsimile: (403) 265-0499

Oilfield Equipment

Taro Industries Limited
F.J. Killoran, President & C.E.O.
616 58 Avenue SE
Calgary, Alberta T2E 3H6
Telephone: (403) 253-8511
Facsimile: (403) 252-2117

Additional Information

Trimac's Public Relations Director, would be pleased to provide additional copies of this report or other information about the Trimac group of companies. Telephone or send facsimile requests to: Telephone (403) 298-5100; Facsimile (403) 298-5258 or write to Suite 2100, 800 Fifth Avenue S.W., P.O. Box 3500, Calgary, Alberta T2P 2P9.

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Consolidated Statement of Changes in Financial Position

(unaudited)	Period ended June 30			
	Three months		Six months	
	1993	1992	1993	1992
(thousands of dollars)				
CASH PROVIDED (USED)				
OPERATIONS				
Earnings before discontinued businesses	$ 3,900	$ 2,223	$ 6,825	$ 2,563
Depreciation and amortization	15,693	11,470	30,656	22,840
Gain on sale of assets	(441)	(221)	(1,022)	(552)
Deferred income taxes	1,156	583	1,378	508
Associated companies				
– Net earnings	(1,524)	(772)	(2,818)	(1,104)
– Gain on dilution of equity interest	—	(252)	—	(2,968)
Other non-cash items	135	33	278	69
Cash from operations	18,919	13,064	35,297	21,356
Discontinued businesses	(181)	—	(333)	—
NET CASH FLOW	18,738	13,064	34,964	21,356
INVESTMENTS				
Purchase of fixed assets	(50,959)	(23,924)	(85,985)	(35,808)
Proceeds on sale of fixed assets	6,097	3,338	12,085	6,237
Net capital expenditures	(44,862)	(20,586)	(73,900)	(29,571)
Proceeds on disposal of Tripet Resources	—	4,708	—	4,708
Investment in subsidiary and associated companies	(5,701)	(50)	(5,701)	(4,406)
Net change in non-cash working capital balances	25,879	3,201	14,467	(3,055)
Other	37	(1,066)	(11)	(1,653)
CASH USED IN INVESTMENTS	(24,647)	(13,793)	(65,145)	(33,977)
FINANCING				
Increase in long-term debt	26,591	10,856	42,796	23,118
Repayments of long-term debt	(3,278)	(3,585)	(35,016)	(8,068)
	23,313	7,271	7,780	15,050
Net change in working capital loans	(8,538)	(9,198)	(9,438)	(369)
Increase in common share capital	548	52	44,357	580
Dividend paid on common shares	—	—	(4,418)	(4,396)
Preferred share dividends and redemptions	(194)	(163)	(301)	(327)
CASH EMPLOYED IN FINANCING	15,129	(2,038)	37,980	10,538
NET INCREASE (DECREASE) IN CASH	9,220	(2,767)	7,799	(2,083)
CASH, BEGINNING OF THE PERIOD	8,722	9,741	10,143	9,057
CASH, END OF THE PERIOD	$ 17,942	$ 6,974	$ 17,942	$ 6,974

AR33

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Trimac

I N T E R I M R E P O R T

1 9 9 3

second quarter

a shared commitment to quality

through a growing and diverse group of companies

Financial Highlights

(unaudited)	Three months ended June 30	
	1993	1992
(thousands of dollars except per share amounts)		(restated, see note)
OPERATING RESULTS		
Revenues	$ 141,746	$ 108,214
Earnings before discontinued businesses	3,900	2,223
– per share	0.10	0.06
Net earnings	3,795	1,908
– per share	0.10	0.05
Cash from operations	18,919	13,064
Net capital investments:		
Fixed assets	44,862	20,586
Acquisitions/investments	5,701	50

	Six months ended June 30	
	1993	1992
		(restated, see note)
Revenues	$ 284,141	$ 211,680
Earnings before discontinued businesses	6,825	2,563
– per share	0.17	0.07
Net earnings	6,632	2,248
– per share	0.17	0.06
Cash from operations	35,297	21,356
Net capital investments:		
Fixed assets	73,900	29,571
Acquisitions/investments	5,701	4,406
FINANCIAL POSITION		
Working capital	7,605	4,697
Total assets	585,047	409,997
Long-term debt	185,650	138,428
Shareholders' equity	257,551	184,472
COMMON SHARE DATA		
Dividends paid	0.12	0.12
Book value	6.29	4.93
Number of common shares outstanding	40,420,290	36,650,190

NOTE:
The financial position as at June 30, 1992 has been restated to reflect the changes which resulted from the prior period adjustments recorded in December, 1992. Reference is made to Note 2 of the 1992 consolidated financial statements contained in Trimac's 1992 Annual Report.

Trimac Limited

To Our Shareholders — Second Quarter Operating Results

Trimac earned $3.8 million ($0.10 per share) in the second quarter of 1993, compared to $1.9 million ($0.05 per share) in 1992.

For the six months ended June 30, net earnings were $6.6 million ($0.17 per share), compared to $2.2 million ($0.06 per share) in 1992. Results in 1992 included earnings of $0.05 per share, related to a dilution gain as a result of an equity issue by Chauvco Resources Ltd. in which Trimac participated at less than its pro-rata interest.

Revenues in the second quarter were $141.7 million, up from $108.2 million last year, and included $11.4 million with respect to BOVAR Inc. which was consolidated effective September 30, 1992.

Transportation revenues of $81.2 million increased by $3.0 million from 1992. Earnings from transportation were below 1992, due principally to increased costs in the U.S. operations.

Drilling services recorded revenues of $24.9 million in the second quarter, an increase of $10.8 million over the same period in 1992. A profit was posted in this division versus a loss in 1992, due mainly to substantially higher levels of activity from Trimac's shallow drilling operations in Canada.

Equipment leasing revenues increased to $21.7 million from $15.7 million, mainly as a result of acquisitions made in July, 1992, and in the first quarter of 1993. Earnings in this division also increased over 1992.

Revenues in the environmental services division of $14.0 million were up from $0.2 million in 1992, due primarily to the inclusion of $11.4 million of revenues from 58 percent owned BOVAR Inc. Losses continued in this division due to the start-up nature of TriWaste Reduction Services' operations.

Net capital expenditures in the second quarter were $44.9 million, including $16.6 million with respect to BOVAR Inc., compared to $20.6 million in 1992.

As at June 30, 1993, long-term debt was $185.7 million compared to $138.4 million as at June 30, 1992. This increase is mainly due to the inclusion of $46.1 million of long-term debt with respect to BOVAR Inc.

Corporate Developments

In May, 1993, Trimac's drilling division, Kenting, as a 25 percent partner, entered into a joint venture agreement with Qais Omani Establishment of the Sultanate of Oman to establish a company to provide contract drilling services in Oman. This company has been awarded a four year drilling contract by Petroleum Development Oman to supply and operate one desert style land drilling rig. The rig is scheduled to commence drilling in December, 1993.

On June 24, 1993, Banister Inc., completed a private placement of 1,500,000 special warrants for proceeds of $21.9 million. Trimac, as a 25 percent shareholder, spent $5.4 million to acquire its pro-rata share of the placement.

On July 31, 1993, Trimac Transportation completed the previously announced acquisition of Pacific Trucking Inc. of Seattle, Washington. Pacific Trucking provides for hire road transportation of petroleum products in the states of Washington and Oregon. The 18 petroleum units acquired in this transaction will be combined with Trimac's existing operations in this region.

On July 26, 1993, Trimac Transportation signed an agreement with Transportes Norti-Mex, an associated company of Transportes Inter-Mex of Mexico City, to facilitate the interchange of equipment at the United States-Mexico border. The agreement will enable Trimac and Norti-Mex to benefit from increased bulk trade between Canada, the United States and Mexico.

Outlook

Trimac Transportation expects results to improve somewhat in the second half of the year. The Kenting Drilling group anticipates high drilling rig utilization rates will prevail for the year, particularly in Western Canada. Rentway's strong market position should result in improved profits. TriWaste continues to report start-up losses and does not anticipate break even results until 1994. BOVAR expects increased demand and activity in its engineered products and environmental services divisions.

J.R. McCaig

J.R. McCaig,
Chairman
August 11, 1993

Consolidated Statement of Earnings

(unaudited)

	Period ended June 30			
	Three months		Six months	
	1993	1992	1993	1992
(thousands of dollars except per share amounts)				
REVENUES				
Transportation services	$ 81,175	$ 78,223	$151,470	$144,057
Drilling services	24,857	14,106	63,188	37,496
Equipment leasing	21,708	15,705	41,093	29,880
Environmental services	14,006	180	28,390	247
	141,746	108,214	284,141	211,680
OPERATING COSTS AND EXPENSES				
Direct	96,398	74,379	196,312	149,090
Depreciation and amortization	15,693	11,470	30,656	22,840
Selling and administrative	22,374	16,722	43,985	33,422
Gain on sale of assets	(441)	(221)	(1,022)	(552)
	134,024	102,350	269,931	204,800
OPERATING EARNINGS	7,722	5,864	14,210	6,880
Associated companies				
– earnings	2,169	1,197	3,980	1,752
– gain on dilution of equity interest	—	252	—	2,968
Interest expense				
– long-term debt	(2,952)	(2,925)	(6,277)	(5,606)
Interest – other	583	257	833	413
General and administrative costs	(1,417)	(1,235)	(2,730)	(2,439)
EARNINGS BEFORE TAXES AND MINORITY INTEREST	6,105	3,410	10,016	3,968
Income tax expense	(2,076)	(1,187)	(2,863)	(1,405)
Minority interest	(129)	—	(328)	—
EARNINGS BEFORE DISCONTINUED BUSINESSES	3,900	2,223	6,825	2,563
Discontinued businesses	(105)	(315)	(193)	(315)
NET EARNINGS	$ 3,795	$ 1,908	$ 6,632	$ 2,248
EARNINGS PER SHARE				
Before discontinued businesses	$ 0.10	$ 0.06	$ 0.17	$ 0.07
Net earnings	0.10	0.05	0.17	0.06

Delivering Value
THE TRIMAC GROUP of COMPANIES

INTERIM REPORT 1994

Trimac

2

SECOND QUARTER

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Trimac

TRIMAC LIMITED

DELIVERING VALUE

FINANCIAL HIGHLIGHTS

(unaudited)

	Three months ended June 30	
	1994	1993
...usands of dollars except per share amounts		
OPERATING RESULTS		
Revenues	**$152,640**	$141,746
Earnings before discontinued businesses	**9,323**	3,900
– per share	**0.23**	0.10
Net earnings	**9,323**	3,795
– per share	**0.23**	0.10
Cash from operations	**22,530**	18,957
Net capital investments:		
Fixed assets	**41,926**	44,862
Acquisitions/investments	**—**	5,701

	Six months ended June 30	
	1994	1993
Revenues	**$316,571**	$284,141
Earnings before discontinued businesses	**16,811**	6,825
– per share	**0.41**	0.17
Net earnings	**16,811**	6,632
– per share	**0.41**	0.17
Cash from operations	**44,596**	35,297
Net capital investments:		
Fixed assets	**75,196**	73,900
Acquisitions/investments	**6,264**	5,701
FINANCIAL POSITION		
...rking capital	**39,416**	7,605
...al assets	**586,224**	585,047
...term debt	**196,103**	185,650
...holders' equity	**291,729**	257,551
...ON SHARE DATA		
...s paid	**0.15**	0.12
...ue	**7.19**	6.29
...f common shares outstanding	**40,585,690**	40,420,290

CORPORATE DEVELOPMENTS

...O OUR SHAREHOLDERS

...SECOND QUARTER OPERATING RESULTS

Trimac earned $9.3 million ($0.23 per share) in the second quarter of 1994 ...mpared to $3.8 million ($0.10 per share) in the second quarter of 1993.

Revenues in transportation of $88.8 million in the quarter were up $7.6 ...llion from the same period last year reflecting increased volumes in both Canada ...d the United States. Earnings in transportation also increased in 1994 reflecting ...e increased revenue levels and improving margins, particularly in the United States.

Revenues in drilling services were $35.0 million compared to $24.9 million ...the second quarter of 1993. Revenue increases occurred in all geographic segments ...th the greatest increase occurring in deep drilling in Canada. Earnings increased ...bstantially due to the increased activity and improved margins in the Canadian ...erations.

Equipment leasing revenues were $23.9 million, up from $21.7 million last ...ar, due primarily to increased volumes in the commercial rental segment. Earnings ...o improved due to the higher revenue levels and improved margins in the full ...rvice lease and commercial rental segments.

Revenues from environmental services of $5.0 million were below the $14.0 ...illion recorded in the second quarter of 1993. The 1993 amount includes $11.4 ...illion with respect to BOVAR Inc. Effective February 1, 1994, Trimac ceased to ...nsolidate the financial statements of BOVAR as Trimac's interest in BOVAR was ...luted from 58% to 48% as a result of a common share issue by BOVAR in which ...rimac did not participate. Losses in TriWaste increased in the second quarter of ...994 due to the continuing under utilization of fixed and mobile equipment, which ...as commissioned throughout 1993.

Pretax earnings of associated companies were $3.3 million in the second ...uarter compared to $2.2 million in 1993. Increases in earnings occurred at BOVAR, ...ue principally to the addition of the large kiln expansion at Swan Hills, Alberta to ...s rate base in April 1994, and at Chauvco Resources Inc., due to increased ...roduction.

Net capital expenditures in the quarter were $41.9 million compared to ...44.9 million in the same period in 1993. The amounts in 1993 included $16.6 ...nillion with respect to BOVAR. Rentway's net capital expenditures were $22.6 ...nillion, up from $15.0 million in 1993 due to expansion of its commercial rental and ...project rental fleets. Net capital expenditures in transportation of $12.7 million were ...up from the $9.4 million expended last year. TriWaste had net capital expenditures ...of $3.6 million principally relating to the construction of additional mobile equipment and fixed facilities, compared to $1.6 million in 1993.

As at June 30, 1994, long-term debt was $196.1 million compared to $221.5 million at December 31, 1993. The year end amount included $87.4 million with respect to BOVAR. The increase in long-term debt, excluding amounts attributable to BOVAR, is due primarily to the funding of capital expenditure programs.

For the six months ended June 30, revenues were $316.6 million compared to $284.1 million in 1993. Net earnings were $16.8 million ($0.41 per share) in 1994 versus $6.6 million ($0.17 per share) last year.

OUTLOOK

Trimac Transportation is anticipating increased volumes and margins in the second half of 1994, compared to 1993, in both its Canadian and U.S. operations as a result of the improving economic conditions. The Kenting drilling group remains optimistic that demand for oil and gas drilling services, particularly in Canada, will remain strong throughout the remainder of the year. Rentway is anticipating further growth in the balance of 1994 reflecting its strong national presence. TriWaste anticipates improvements in utilization of equipment but does not expect to achieve profitability in 1994.

J.R. McCaig,
Chairman
August 11, 1994

CONSOLIDATED STATEMENT OF EARNINGS

unaudited)	Period ended June 30			
	Three months		Six months	
housands of dollars except per share amounts)	1994	1993	1994	1993
	(See note)		(See note)	
EVENUES				
ansportation services	$ 88,778	$ 81,175	$ 165,384	$ 151,470
rilling services	35,002	24,857	92,078	63,188
quipment leasing	23,857	21,708	45,679	41,093
nvironmental services	5,003	14,006	13,430	28,390
	152,640	141,746	316,571	284,141
ERATING COSTS AND EXPENSES				
rect	104,111	96,398	219,058	196,312
epreciation and amortization	16,547	15,693	32,456	30,656
lling and administrative	20,715	22,374	43,706	43,985
ain on sale of assets	(1,557)	(441)	(2,313)	(1,022)
	139,816	134,024	292,907	269,931
PERATING EARNINGS	12,824	7,722	23,664	14,210
ssociated companies – earnings	3,349	2,169	5,051	3,980
nterest expense – long-term debt	(2,911)	(2,952)	(5,340)	(6,277)
nterest – other	(258)	583	(208)	833
eneral and administrative costs	(1,442)	(1,417)	(2,911)	(2,730)
ARNINGS BEFORE TAXES AND MINORITY INTEREST	11,562	6,105	20,256	10,016
Income tax expense	(2,046)	(2,076)	(3,431)	(2,863)
Minority interest	(193)	(129)	(14)	(328)
EARNINGS BEFORE DISCONTINUED BUSINESSES	9,323	3,900	16,811	6,825
Discontinued businesses	—	(105)	—	(193)
NET EARNINGS	$ 9,323	$ 3,795	$ 16,811	$ 6,632
EARNINGS PER SHARE				
Before discontinued businesses	$ 0.23	$ 0.10	$ 0.41	$ 0.17
Net earnings	0.23	0.10	0.41	0.17

NOTE: On January 31, 1994, BOVAR entered into an agreement with a group of underwriters to issue 12,500,000 special warrants, convertible into a like number of common shares. Trimac did not participate and consequently its ownership interest declined to approximately 48%. As a result, effective February 1, 1994, Trimac ceased to consolidate BOVAR's financial statements and commenced using the equity method of accounting.

TRIMAC LIMITED

DELIVERING VALUE

FINANCIAL HIGHLIGHTS

(unaudited)	Three months ended June 30 1994	1993
(thousands of dollars except per share amounts)		
OPERATING RESULTS		
Revenues	**$152,640**	$141,746
Earnings before discontinued businesses	**9,323**	3,900
– per share	**0.23**	0.10
Net earnings	**9,323**	3,795
– per share	**0.23**	0.10
Cash from operations	**22,530**	18,957
Net capital investments:		
Fixed assets	**41,926**	44,862
Acquisitions/investments	**—**	5,701

	Six months ended June 30 1994	1993
Revenues	**$316,571**	$284,141
Earnings before discontinued businesses	**16,811**	6,825
– per share	**0.41**	0.17
Net earnings	**16,811**	6,632
– per share	**0.41**	0.17
Cash from operations	**44,596**	35,297
Net capital investments:		
Fixed assets	**75,196**	73,900
Acquisitions/investments	**6,264**	5,701
FINANCIAL POSITION		
Working capital	**39,416**	7,605
Total assets	**586,224**	585,047
Long-term debt	**196,103**	185,650
Shareholders' equity	**291,729**	257,551
COMMON SHARE DATA		
Dividends paid	**0.15**	0.12
Book value	**7.19**	6.29
Number of common shares outstanding	**40,585,690**	40,420,290

CORPORATE DEVELOPMENTS

To Our Shareholders
– SECOND QUARTER OPERATING RESULTS

Trimac earned $9.3 million ($0.23 per share) in the second quarter of 1994 compared to $3.8 million ($0.10 per share) in the second quarter of 1993.

Revenues in transportation of $88.8 million in the quarter were up $7.6 million from the same period last year reflecting increased volumes in both Canada and the United States. Earnings in transportation also increased in 1994 reflecting the increased revenue levels and improving margins, particularly in the United States.

Revenues in drilling services were $35.0 million compared to $24.9 million in the second quarter of 1993. Revenue increases occurred in all geographic segments with the greatest increase occurring in deep drilling in Canada. Earnings increased substantially due to the increased activity and improved margins in the Canadian operations.

Equipment leasing revenues were $23.9 million, up from $21.7 million last year, due primarily to increased volumes in the commercial rental segment. Earnings also improved due to the higher revenue levels and improved margins in the full service lease and commercial rental segments.

Revenues from environmental services of $5.0 million were below the $14.0 million recorded in the second quarter of 1993. The 1993 amount includes $11.4 million with respect to BOVAR Inc. Effective February 1, 1994, Trimac ceased to consolidate the financial statements of BOVAR as Trimac's interest in BOVAR was diluted from 58% to 48% as a result of a common share issue by BOVAR in which Trimac did not participate. Losses in TriWaste increased in the second quarter of 1994 due to the continuing under utilization of fixed and mobile equipment, which was commissioned throughout 1993.

Pretax earnings of associated companies were $3.3 million in the second quarter compared to $2.2 million in 1993. Increases in earnings occurred at BOVAR, due principally to the addition of the large kiln expansion at Swan Hills, Alberta to its rate base in April 1994, and at Chauvco Resources Inc., due to increased production.

Net capital expenditures in the quarter were $41.9 million compared to $44.9 million in the same period in 1993. The amounts in 1993 included $16.6 million with respect to BOVAR. Rentway's net capital expenditures were $22.6 million, up from $15.0 million in 1993 due to expansion of its commercial rental and project rental fleets. Net capital expenditures in transportation of $12.7 million were up from the $9.4 million expended last year. TriWaste had net capital expenditures of $3.6 million principally relating to the construction of additional mobile equipment and fixed facilities, compared to $1.6 million in 1993.

As at June 30, 1994, long–term debt was $196.1 million compared to $221.5 million at December 31, 1993. The year end amount included $87.4 million with respect to BOVAR. The increase in long–term debt, excluding amounts attributable to BOVAR, is due primarily to the funding of capital expenditure programs.

For the six months ended June 30, revenues were $316.6 million compared to $284.1 million in 1993. Net earnings were $16.8 million ($0.41 per share) in 1994 versus $6.6 million ($0.17 per share) last year.

Outlook

Trimac Transportation is anticipating increased volumes and margins in the second half of 1994, compared to 1993, in both its Canadian and U.S. operations as a result of the improving economic conditions. The Kenting drilling group remains optimistic that demand for oil and gas drilling services, particularly in Canada, will remain strong throughout the remainder of the year. Rentway is anticipating further growth in the balance of 1994 reflecting its strong national presence. TriWaste anticipates improvements in utilization of equipment but does not expect to achieve profitability in 1994.

J.R. McCaig,
Chairman
August 11, 1994

Consolidated Statement of Earnings

(unaudited)	Period ended June 30			
	Three months		**Six months**	
(thousands of dollars except per share amounts)	**1994**	**1993**	**1994**	**1993**
	(See note)		(See note)	
REVENUES				
Transportation services	**$ 88,778**	$ 81,175	**$ 165,384**	$ 151,470
Drilling services	**35,002**	24,857	**92,078**	63,188
Equipment leasing	**23,857**	21,708	**45,679**	41,093
Environmental services	**5,003**	14,006	**13,430**	28,390
	152,640	141,746	**316,571**	284,141
OPERATING COSTS AND EXPENSES				
Direct	**104,111**	96,398	**219,058**	196,312
Depreciation and amortization	**16,547**	15,693	**32,456**	30,656
Selling and administrative	**20,715**	22,374	**43,706**	43,985
Gain on sale of assets	**(1,557)**	(441)	**(2,313)**	(1,022)
	139,816	134,024	**292,907**	269,931
OPERATING EARNINGS	**12,824**	7,722	**23,664**	14,210
Associated companies – earnings	**3,349**	2,169	**5,051**	3,980
Interest expense – long-term debt	**(2,911)**	(2,952)	**(5,340)**	(6,277)
Interest – other	**(258)**	583	**(208)**	833
General and administrative costs	**(1,442)**	(1,417)	**(2,911)**	(2,730)
EARNINGS BEFORE TAXES AND MINORITY INTEREST	**11,562**	6,105	**20,256**	10,016
Income tax expense	**(2,046)**	(2,076)	**(3,431)**	(2,863)
Minority interest	**(193)**	(129)	**(14)**	(328)
EARNINGS BEFORE DISCONTINUED BUSINESSES	**9,323**	3,900	**16,811**	6,825
Discontinued businesses	—	(105)	—	(193)
NET EARNINGS	**$ 9,323**	$ 3,795	**$ 16,811**	$ 6,632
EARNINGS PER SHARE				
Before discontinued businesses	**$ 0.23**	$ 0.10	**$ 0.41**	$ 0.17
Net earnings	**0.23**	0.10	**0.41**	0.17

NOTE: On January 31, 1994, BOVAR entered into an agreement with a group of underwriters to issue 12,500,000 special warrants, convertible into a like number of common shares. Trimac did not participate and consequently its ownership interest declined to approximately 48%. As a result, effective February 1, 1994, Trimac ceased to consolidate BOVAR's financial statements and commenced using the equity method of accounting.

CONSOLIDATED BALANCE SHEET

(unaudited)	June 30	
(thousands of dollars)	1994	1993
	(See note)	
ASSETS		
CURRENT ASSETS		
Cash and term deposits	**$ 14,308**	$ 17,942
Accounts receivable	**89,020**	91,347
Income taxes recoverable	**—**	123
Materials and supplies	**5,097**	9,001
Prepaid expenses	**16,847**	20,185
	125,272	138,598
INVESTMENTS AND ADVANCES		
Investments in and advances to associated companies	**90,462**	67,518
Notes receivable and other	**5,787**	12,753
	96,249	80,271
FIXED ASSETS, at cost	**674,417**	681,444
Less: Accumulated depreciation	**(320,301)**	(325,659)
	354,116	355,785
GOODWILL AND AUTHORITIES	**10,587**	10,393
	$586,224	$585,047
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank advances, secured	**$ 11,839**	$ 16,356
Accounts payable and accrued liabilities	**71,508**	104,524
Income taxes payable	**201**	—
Current maturities of long-term debt	**2,308**	10,113
	85,856	130,993
LONG–TERM DEBT	**196,103**	185,650
DEFERRED INCOME TAXES	**11,992**	9,327
MINORITY INTEREST	**544**	1,526
SHAREHOLDERS' EQUITY		
Share capital		
Preferred	**—**	3,472
Common	**151,018**	149,004
	151,018	152,476
Cumulative translation adjustment	**3,088**	(1,154)
Retained earnings	**137,623**	106,229
	291,729	257,551
	$586,224	$585,047

Approved by the Board:

J.R. McCaig, Director

J.J. McCaig, Director

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(unaudited)	Period ended June 30			
	Three months		Six months	
(thousands of dollars)	1994	1993	1994	1993
CASH PROVIDED (USED)				
OPERATIONS				
Earnings before discontinued businesses	**$ 9,323**	$ 3,900	**$ 16,811**	$ 6,825
Depreciation and amortization	**16,547**	15,693	**32,456**	30,656
Gain on sale of assets	**(1,557)**	(441)	**(2,313)**	(1,022)
Deferred income taxes	**1,036**	1,194	**1,901**	1,378
Associated companies – net earnings	**(2,850)**	(1,524)	**(4,127)**	(2,818)
Other non–cash items	**31**	135	**(132)**	278
Cash from operations	**22,530**	18,957	**44,596**	35,297
Discontinued businesses	**—**	(181)	**—**	(333)
NET CASH FLOW	**22,530**	18,776	**44,596**	34,964
INVESTMENTS				
Purchase of fixed assets	**(48,407)**	(50,959)	**(88,150)**	(85,985)
Proceeds on sale of fixed assets	**6,481**	6,097	**12,954**	12,085
Net capital expenditures	**(41,926)**	(44,862)	**(75,196)**	(73,900)
Investment in subsidiary and associated companies	**—**	(5,701)	**(6,264)**	(5,701)
Net change in non-cash working capital balances	**(7,865)**	25,841	**(16,958)**	14,467
Other	**2,226**	37	**3,752**	(11)
CASH USED IN INVESTMENTS	**(47,565)**	(24,685)	**(94,666)**	(65,145)
FINANCING				
Increase in long–term debt	**37,887**	26,591	**63,092**	42,796
Repayments of long-term debt	**(394)**	(3,278)	**(2,198)**	(35,016)
	37,493	23,313	**60,894**	7,780
Net change in working capital loans	**(10,730)**	(8,538)	**(5,415)**	(9,438)
Increase in common share capital	**181**	548	**427**	44,357
Dividend paid on common shares	**—**	—	**(6,086)**	(4,418)
Preferred share dividends and redemptions	**—**	(194)	**—**	(301)
CASH PROVIDED BY FINANCING	**26,944**	15,129	**49,820**	37,980
NET INCREASE (DECREASE) IN CASH	**1,909**	9,220	**(250)**	7,799
CASH, BEGINNING OF THE PERIOD	**12,399**	8,722	**14,558**	10,143
CASH, END OF THE PERIOD	**$ 14,308**	$ 17,942	**$ 14,308**	$ 17,942